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ABSTRACT

The primary purpose of this handbook, which provides information on sources of financial aid and how to apply for it from the programs administered by the U.S. Department of Education, is to help financial aid administrators advise students in seeking financial aid for postsecondary education. The handbook is divided into three sections: (1) Part I provides general information about sources of aid, eligibility requirements, and financial need analysis; (2) Part II concerns the application process in general for such Federal aid programs as Pell Grants and Federal Family Education Loans and includes information on how to apply, how the application is processed, and how to use the official Expected Family Contribution formula to document eligibility; (3) Part III provides a copy of the Free Application for Federal Aid form and individual sections of instructions for answering each question on it. Four appendices provide information on: (1) sources of additional information; (2) the names of contact persons at agencies responsible for administering the various Federal aid programs, listed alphabetically by state; (3) a glossary of terms and acronyms; and (4) Expected Family Contribution worksheets. (MSF)

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1994-95

for Postsecondary Schools

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COUNSELOR'S HANDBOOK

U.S. Department of Education
Student Financial Assistance Programs

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Introduction

The primary purpose of this *Handbook* is to help financial aid administrators advise students in seeking financial aid for postsecondary education. Therefore, this *Handbook* provides information on sources of aid and how to apply for aid from the programs administered by the U.S. Department of Education.

We welcome any comments or suggestions on ways to make the *Counselor's Handbook* more useful. Please send your comments to:

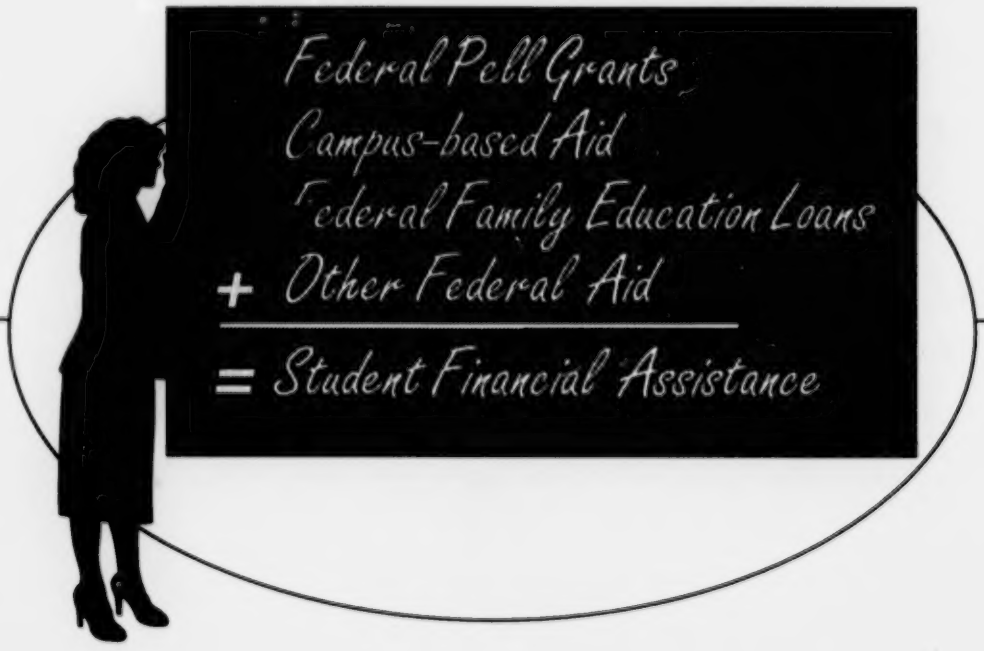
Development Section
USED/OPE/SFAP/PTAS/TPID
ROB-3, Room 4051
ATTN: Dena M. Choice
400 Maryland Avenue, S.W.
Washington, D.C. 20202

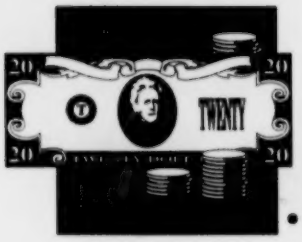
The Department is also soliciting comments on the 1994-95 Student Aid Report, Electronic Student Aid Report and the Institutional Student Information Reports. Comments on these forms must be received no later than April 1, 1994. Please address your comments to:

Ms. Jeanne Saunders
Director
Applicant Systems Division
Program Systems Service
U.S. Department of Education
400 Maryland Avenue, S.W.
ROB-3, Room 4640
Washington, D.C. 20202

We hope that you find this publication informative and helpful.

Part I:
General Information about Postsecondary Opportunities





SOURCES OF AID

Recent studies have shown that many high school students are not aware that they may be eligible for financial aid to attend a college or a trade school. Unfortunately, many of the neediest students assume that they cannot afford to go to college to continue their education. To help students find out more about the student aid programs administered by the U.S. Department of Education (ED or the Department), be sure to give them a copy of the *Student Guide*, as well as any information offered by your state's higher education agency. The Department updates the *Student Guide* once a year and sends order forms to every high school in the United States in the fall. The 1994-95 *Student Guide* will be available in January 1994. The *Student Guide* may be ordered by writing to the following address:

Federal Student Aid Information Center
Box 84
Washington, D. C. 20044

The focus of this *Handbook* is the Student Financial Assistance (SFA) programs administered by the U.S. Department of Education. These programs are authorized by the Higher Education Act of 1965 (referred to as "the law") as amended. For 1994-95, the SFA programs will deliver more than **$27 billion** in aid to **6 million** students. This amount represents a substantial commitment by the Department to provide financial assistance for students at the postsecondary level. However, there are other important sources of aid that may be available to your students. To encourage them to find out more about other sources of aid, tell your students to check the reference section of the school or public library. You may want to suggest titles of books that you feel are particularly helpful.

The Major Federal Student Aid Programs Administered by ED

The Department administers the following major financial aid programs to help students meet the costs of postsecondary education:

FEDERAL PELL GRANTS

CAMPUS-BASED PROGRAMS
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Federal Work-Study (FWS)
- Federal Perkins Loans

FEDERAL FAMILY EDUCATION LOANS
- Federal Stafford Loans
- Federal PLUS Loans

FEDERAL DIRECT STUDENT LOAN PROGRAMS
- Federal Direct Stafford Loans
- Federal Direct PLUS Loans

It is customary to group these programs by type of aid: **grants** (Federal Pell and Federal SEOG) that do not have to be repaid, **loans** (Federal Perkins, Federal Stafford, and Federal PLUS) that enable students-and parents, in the case of PLUS Loans- to borrow money to help meet educational costs, and **work-study** (FWS) that provides part-time jobs.

But it is also useful to think about the programs in terms of how aid is awarded and delivered to the student. **Federal Pell Grants** are awarded through strict rules set by the Department: if a student is eligible based on these rules, the school will always be able to pay the student his or her Federal Pell Grant, and will be reimbursed by the Department. In contrast, the Department allocates funds to the postsecondary schools under the **campus-based** programs. The school then awards these funds to students using federal guidelines. Campus-based funds are limited, so many schools award them early. Therefore, the earlier an eligible student applies, the more likely he or she is to receive campus-based aid. Funds for the two **Federal Family Education Loan** programs are provided by banks and other lenders. The loans are reinsured by the federal government in the event the borrower dies or becomes disabled. Federal Stafford Loans consist of subsidized and unsubsidized loans. Subsidized Stafford Loans are made to all students who qualify based on financial need and other factors. Unsubsidized Stafford Loans are not based on need, and the student, rather than the federal government, is responsible for paying all the interest on the loan. Federal PLUS loans are available to parents of dependent students.

For 1994-95, the Department introduces the **Federal Direct Student Loan Program (FDSLP)**. Direct lending is a new way of delivering educational loans to eligible borrowers. This program enables an eligible student to borrow from, and repay a loan to, the Department instead of a bank or guaranty agency. Thus, the student will only work with a single entity, the Department. In addition, the FDSLP offers a range of flexible repayment options to meet borrowers' varied financial circumstances. Please note that for 1994-95, FDSLP participation is limited to 5 percent of new loan volume. See the *Student Guide* for more information on ED's major federal student aid programs.

Other ED Programs

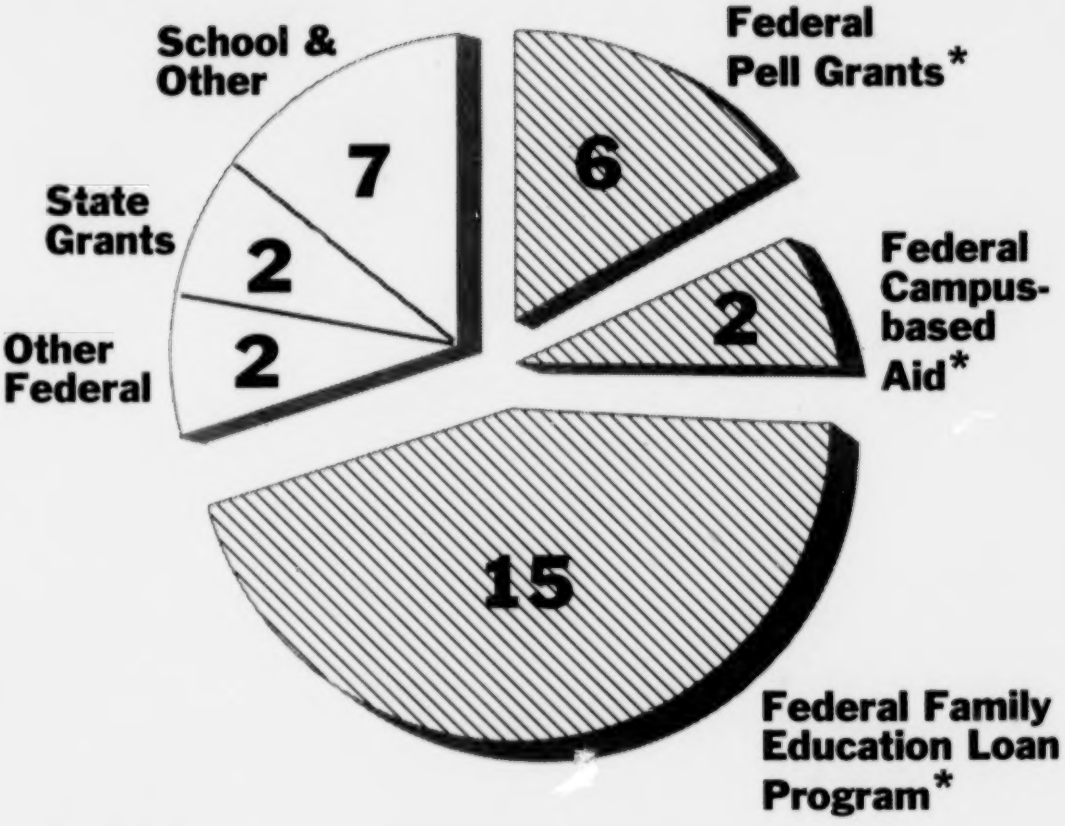
The **State Student Incentive Grant (SSIG) Program** assists states in providing grants to eligible students who attend postsecondary schools and have substantial financial need as determined by the state. Each state has its own name for this program and may use a percentage of its SSIG funding to provide work-study assistance through community service-learning job programs. Because of the variations in state programs, student and school inquiries about SSIG and other state grant, scholarship, and work-study assistance should be directed to the state agencies listed in **Appendix B**.

The Department provides other types of student aid specifically for disabled persons; however, this aid is administered by state vocational rehabilitation agencies, and students must meet state eligibility criteria. This aid must be coordinated with student aid from other sources to prevent duplication of benefits. The disabled student may receive the maximum assistance by going as early as possible to both the vocational rehabilitation agency where the student is a client and to the financial aid office at the school he or she plans to attend.

The U.S. Department of Education also provides funding to state agencies for several student aid programs that select recipients based on *academic merit*.

The **Paul Douglas Teacher Scholarship Program (formerly called the Carl D. Perkins Scholarship Program)** is a federally-funded program that provides college scholarships to outstanding high school graduates enabling them to pursue teaching careers at the preschool, elementary school, or secondary school level. Students who graduate in the top ten percent of their high school class may apply for the scholarships, which provide up to $5,000 per year for four years of postsecondary education. Specific information on the Paul Douglas Teacher Scholarship Program in a state, including scholarship application forms and instructions, is available from the student's state grant agency. (See **Appendix B** for a list of state agencies.)

Sources of Aid for 92-93



$ in Billions

***Nearly 70% of the student aid that is awarded each year comes from the U.S. Department of Education programs**

The **National Science Scholars Program (NSSP)** is a federally-funded program that awards scholarships to students for undergraduate study of the physical, life, and computer sciences; mathematics; or engineering at postsecondary institutions. Scholars are nominated by state nominating committees and selected by the President in consultation with the Director of the National Science Foundation and the Secretary of Education. Scholarships of up to $5,000 are awarded to outstanding graduating high school students and GED recipients for the first year of undergraduate study. A scholar who maintains eligibility may receive three or four additional awards in subsequent years, depending upon the length of the undergraduate program, in order to complete his or her undergraduate course of study. Information on the NSSP, including the scholarship application process, is available from the Chief State School Officer in the state in which the student resides, or from each participating state's Depar nt of Education.

Under the **Robert C. Byrd Honors Scholarship Program** the Secretary of Education makes available, through grants to the states, scholarships to exceptionally able students for study at postsecondary schools in order to recognize and promote student excellence and achievement. Student recipients under this program are known as "Byrd Scholars." To apply for a Byrd Scholarship, a student follows the application procedures established by the State Educational Agency (SEA) in the state in which the student resides. The SEA establishes procedures for selecting the scholars after consulting with school administrators, school boards, teachers, counselors, and parents. Students who receive scholarship assistance under the Byrd Program are awarded a scholarship each year in the amount of $1,500 (not to exceed the scholar's cost of attendance) for each of his or her first four years of study at any institution of higher education.

Other Federal Programs

The **U.S. Department of Veterans Affairs** administers a number of education and training programs for veterans, service persons, and eligible dependents.

The **Montgomery GI Bill (Active Duty)** is a program of education benefits for students who enter active duty for the first time after June 30, 1985. The student must, with certain exceptions, serve continuously on active duty for three years of a three-year enlistment or, for a lesser benefit, two years of an initial active duty obligation of less than three years. A student also may qualify for benefits by initially serving two continuous years on active duty, followed by four years of Selected Reserve service.

The **Montgomery GI Bill (Selected Reserve)** is a program of education benefits for reservists of the armed forces as well as the Army National Guard and the Air National Guard. To be eligible for this program, a reservist must have a six-year obligation to serve in the Selected Reserve, complete Initial Active Duty for Training, have a high school diploma or its equivalent, and remain in good standing in a drilling Selected Reserve unit.

If a student has a parent who is a military veteran, the student may qualify for help from the U.S. Department of Veterans Affairs. **Educational assistance benefits** are available to spouses and children of:

- Veterans who died, or are permanently and totally disabled, as the result of a disability arising from active service in the Armed Forces;
- Veterans who died from any cause while rated permanently and totally disabled from service-connected disability;
- Service persons presently missing in action or captured in line of duty by a hostile force; or
- Service persons presently detained or interned in line of duty by a foreign government or power.

Benefits may be awarded for pursuit of associate, bachelor, or graduate degrees at colleges and universities. Courses leading to a certificate or diploma from business, technical, or vocational schools may also be taken. For further information on veterans benefits, students should contact the nearest U.S. Department of Veterans Affairs regional office.

The Department of Veterans Affairs administers the VA **Health Professionals Educational Assistance Programs**. One of these programs is the **Scholarship Awards program**, which provides awards on a competitive basis for undergraduate and graduate students in health care shortage categories (nursing, physical therapy, occupational therapy, and nurse anesthesia). The other program is the **Reserve Member Stipend Awards**. This program provides aid for students who are (1) in the last year of an associate degree program in nursing or (2) in either the third or fourth year of a master program in nursing, physical therapy, or occupational therapy. The reservist must also be a member of the Selected Ready Reserves, eligible for the Reserve GI Bill, and have a score above the 50th percentile on the Armed Forces Qualification Test. In return for awards from these programs, a participant is required to provide professional service for a designated period of time at a VA medical center.

Army Reserve Officers' Training Corps (ROTC) is a program that provides college-trained officers for the U.S. Army, the Army National Guard, and the U.S. Army Reserve. The program is offered at hundreds of colleges and universities across the nation. Four-year scholarships are awarded on a competitive basis to students who will be entering college as freshmen. The scholarships may be worth up to $60,000, paying for most college tuition, on-campus educational fees, as well as a flat rate for textbooks, supplies, and equipment. Each scholarship also includes a grant of up to $1,000 for every year the scholarship is in effect. Application packets and information on eligibility may be obtained from: Army ROTC, Gold Quest Center, P.O. Box 3279, Warminster, PA 18974-0128 or by calling 1-800-USA-ROTC.

The **Air Force ROTC** college scholarship program is intended for high school seniors or graduates who haven't enrolled as full-time college students. The scholarship program is especially targeted to those pursuing technical degrees. Four-year scholarships may be lengthened to four-and-a-half to five years in certain academic majors and programs. **Air Force ROTC scholarships are awarded on individual merit, not on financial need.** The Air Force also offers scholarships to individuals who are already in college. These scholarships cover one to three years of a bachelor's degree program in certain engineering and science majors, as well as in other job categories. There are also scholarships for premed and preosteopath majors. Applications for Air Force ROTC may be obtained by writing to: HQ AFROTC College Scholarship Branch, Maxwell AFB, AL 36112-6663.

The **Naval Reserve Officers' Training Corps (NROTC) program,** offers young men and women an opportunity to qualify for commissions in the Navy and Marine Corps while attending college. The four-year scholarship is available to students who have graduated from high school before August 1 of the year they intend to start college. Scholarships are awarded annually and are based on a competitive selection process in which consideration is given to such factors as high school class standings, college entrance test scores, extracurricular activities, and leadership qualities. Academic accomplishments in rigorous, technically demanding courses are especially noteworthy. During the student's years of college study, the Navy pays tuition, the cost of textbooks, fees of an instructional nature, and a subsistence allowance of $100 per month for a maximum of 40 academic months. Full information concerning the NROTC scholarship program is available from any college that offers NROTC.

The **U.S. Public Health Service** administers the **Nursing Student Loan Program** for undergraduate and graduate nursing students. This program is intended to assist students to achieve careers in nursing by providing long-term, low-interest loans to help meet costs of education. The Public Health Service also sponsors the **Health Professions Student Loan Program (HPSL)**, the **Health Education Assistance Loan (HEAL)** Program, the **Exceptional Financial Need Scholarship Program (EFN)**, and the program of **Financial Assistance for Disadvantaged Health Professions Students (FADHPS)**. These programs are for *graduate* students enrolled in accredited schools in the United States, Puerto Rico, or the Virgin Islands. For more information on financial assistance from the U.S. Public Health Service, please write to:

U.S. Department of Health and Human Services
Public Health Service
Health Resources and Services Administration
Bureau of Health Professions
Division of Student Assistance
5600 Fishers Lane
Rockville, Maryland 20857

Non-Federal Sources: State, Private, Institutional

Students should be encouraged to contact their **state agency** for information about **state programs**. A student might qualify for a private grant or scholarship for any of the following reasons: academic achievement, religious affiliation, ethnic or racial heritage, community activities, artistic talents, leadership potential, athletic ability, career plans, proposed field of study, or hobbies and special interests. The American Legion offers an inexpensive guide to private sources of aid called *Need a Lift?* (See **Appendix A** for address.) Other books about financial aid may be available through your school or public library. In addition, many postsecondary schools have their own sources of student financial aid. A student should contact the school he or she plans to attend for possible sources of institutional aid.

Finally, there are **computerized scholarship search services** that will match a prospective student with sources of financial aid. These services tend to be relatively expensive, so the student or parent should consider the extent of the search being offered before committing to such a service. If someone has had problems with a scholarship search firm, he or she may contact the local Better Business Bureau or the U.S. Postal Service. Some services guarantee that the student will be eligible for at least five sources of financial aid; however, please be aware that these sources may include the major federal student aid programs that are discussed in this *Handbook* and in the *Student Guide*. Students may get a **free** copy of the *Student Guide*, either from their local school or library, or by calling the U.S. Department of Education's toll-free number, 1-800-4-FED-AID. The *Guide* describes the major student aid programs of the Department, which provide nearly 70 percent ($27 billion) of the financial aid given to postsecondary students each year.

GENERAL ELIGIBILITY REQUIREMENTS FOR STUDENT AID

All sources of financial aid have some kind of **eligibility requirements**. Financial aid from a state usually requires that the recipient be a resident of that state. Some scholarships specify that the recipient must be enrolling in a particular field of study or have maintained a high grade point average in high school.

Eligibility for most of the federal student aid programs is based on **financial need** rather than academic achievement. The remainder of this *Handbook* will explain how a student demonstrates need. The first step is filling out the financial aid application.

In addition to the financial need requirement, the federal student aid programs require that the student recipient:

- Have a high school diploma, a GED, pass an independently administered examination approved by the Department or meet other standards your state established that are approved by the Department;
- Enroll as a regular student in an eligible degree or certificate program;
- Be a U.S. citizen or eligible noncitizen;
- Make satisfactory academic progress;
- Sign a Statement of Updated Information, Selective Service Registration Status, and Educational Purpose/Certification Statement on Refunds and Defaults.

A student must enroll at least half-time to be eligible for a Federal PLUS, or a Federal Stafford Loan.

DEMONSTRATING NEED

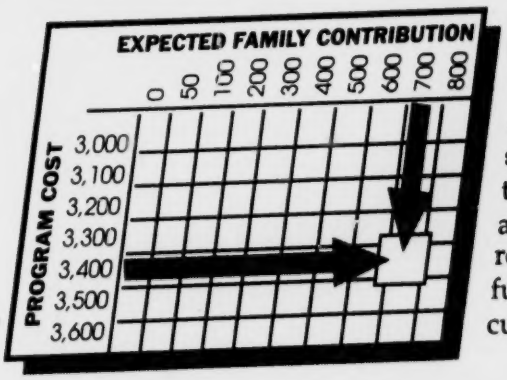
As we mentioned in the last section, a student must demonstrate **financial need** to be eligible for most federal student aid. Quantifying a family's need for financial assistance has often been controversial, but it is not a recent issue. In fact, uniform systems of need analysis were developed by the financial aid community in the 1950's, before most of the federal student aid programs had been established.

At its simplest level, a student's financial need is the difference between the student's **cost of attendance** at the school and the amount **the family can be expected to contribute to the student's education.**

The financial aid administrator usually develops an average **cost of attendance** for different categories of students. Some programs of study may have lab fees or higher charges for books and supplies than other programs. Students living off-campus may have higher costs for room and board and additional transportation expenses than students living on-campus.

For the federal student aid programs, the financial aid administrator must use the definition of "cost of attendance" given in the law. The law specifies that the cost of attendance includes tuition and fees and an allowance for living expenses such as room and board, books and supplies, and transportation costs. The law also provides limited allowances for dependent care and expenses for disabled students.

The process of **need analysis** focuses on the other part of the need equation: how much can the family be reasonably expected to contribute towards the student's education? Traditionally, financial aid administrators have determined the expected contribution by collecting information about the family's income and assets, and comparing these figures with the family's expenses. The law has adopted much of the traditional approach to need analysis for the federal student aid programs. There is a single formula for federal student aid, which produces the **Expected Family Contribution (EFC)**. The EFC is used to award Federal Pell Grants, campus-based aid and Federal Stafford Loans.

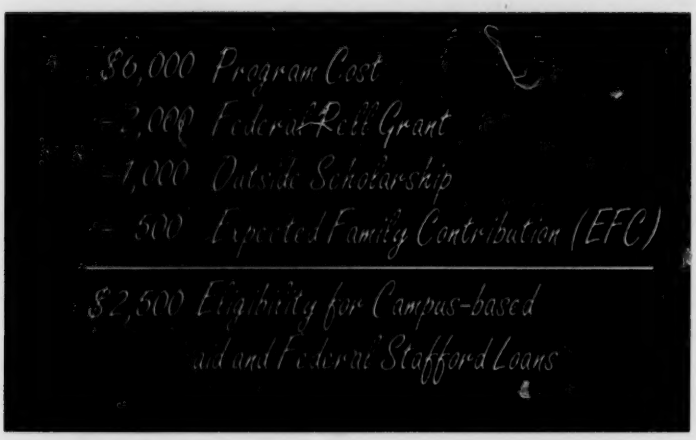


To determine the amount of a student's Federal Pell Grant, the financial aid administrator simply looks up the cost of attendance and the EFC on a **payment schedule** to determine the award. The lower the EFC, the higher the award. A student with an EFC of 0 has the most need and tends to receive the largest amount of Federal Pell Grant funds. A student with an EFC greater than the cut-off is not eligible for a Federal Pell Grant.

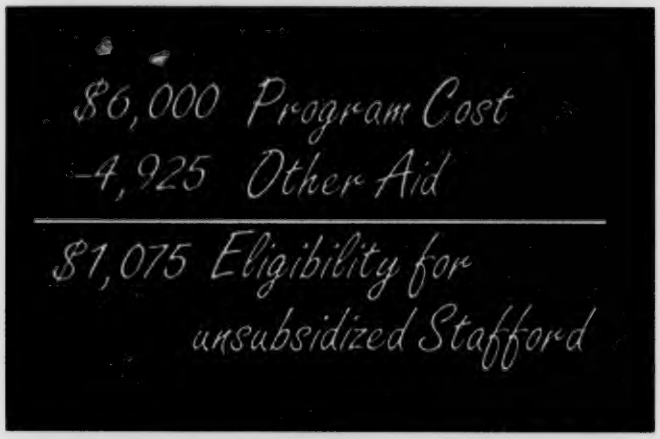
The Federal Pell Grant Program is presumed to be the first source of aid to the student, so the award process for a Federal Pell Grant does not consider other sources of aid. For 1993-94, the Grant was limited to $2,300 and the cut-off for eligibility was 2100.* Also note that awards do not change above a certain cost. (In 1993-94, the maximum cost shown on the payment schedule was $4,000+.) For instance, in 1993-94 if a student had an EFC of 0, the student's award was $2,300 whether the student went to a school that had a cost of attendance of $4,000 or to a school that had a cost of $8,000.

*The EFC cut-off for eligibility for a Federal Pell Grant is determined each year by Congress. At the time this publication went to print the cut-off for 1994-95 had not yet been determined.

When awarding **campus-based aid** or certifying a **Federal Stafford Loan**, the financial aid administrator must consider other aid available to the student, as well as the amount the family can contribute (the EFC). For instance, let's say that a student enrolls in a program whose cost of attendance is $6,000 and has an EFC of 500. Initially, the student needs $5,500 in financial aid to go to school. However, if the student receives a $2,000 Federal Pell Grant and a $1,000 outside scholarship, the student's need is reduced by $3,000. Therefore, the aid administrator can award up to $2,500 in campus-based and Federal Stafford Loan funds.


$6,000 Program Cost
-2,000 Federal Pell Grant
-1,000 Outside Scholarship
- 500 Expected Family Contribution (EFC)
$2,500 Eligibility for Campus-based aid and Federal Stafford Loans

When certifying an unsubsidized Federal Stafford or a **Federal PLUS loan**, the aid administrator doesn't use the EFC figure to determine the student's or parent's need for the loan. However, the amount of the loan may not exceed the difference between the student's cost of attendance and the other aid the student is receiving. The school must consider the student's eligibility for other aid before determining the loan amount. For instance, if an independent student in his or her first year of study has a cost of attendance of $6,000, and is eligible for the maximum Pell Grant ($2,300) and maximum subsidized Stafford Loan ($2,625), the aid administrator may approve the student for an unsubsidized Stafford Loan up to $1,075.



In this section, we have given a simplified overview of how an aid administrator determines a student's financial need for the various federal student aid programs. Finally, using available federal and non-federal aid, the financial aid administrator generally puts together a financial aid package that is presented to the student in the form of an award letter. The student may accept or decline any of the financial aid offered in the award letter. The process of **packaging and awarding aid** can be complex, especially when the student is receiving work-study or noninstitutional funds. If a student or a prospective student has questions about his or her financial aid package, these questions should be addressed to the financial aid office that prepared the package.

As we have seen, federal student aid awards are ultimately based on the student's **EFC**. It is important to note that even though eligibility for the Federal PLUS program is not based on the EFC, the student's eligibility for a Federal Pell Grant and Federal Stafford Loan (based on the EFC) and an unsubsidized Federal Stafford Loan must be considered.

In order to receive an EFC, a student must first fill out the Free Application for Federal Student Aid (FAFSA). Unlike the admissions application, the FAFSA is sent to a processing center that is independent of the school. The student's information is entered into the Department's computer system that calculates the student's official EFC. The application process for financial aid is described in Part II of this *Handbock*.

Part II:
The Application Process for Financial Aid

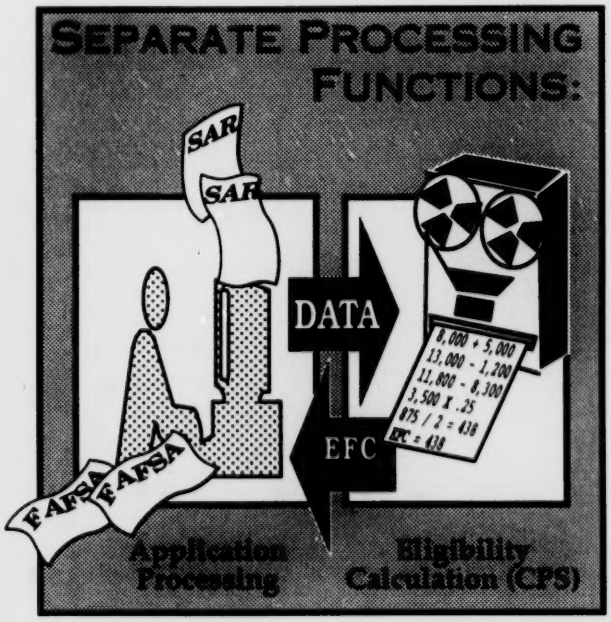
To be considered for the federal student aid programs (such as Federal Pell Grants and Federal Family Education Loans), a student must fill out the Free Application for Federal Student Aid (FAFSA). This application collects financial and other information used to calculate the **EFC** that ultimately determines the student's eligibility for aid.

The **application processing cycle** lasts 16 months. For the 1994-95 award year, application processing will begin in January 1994, and applications for that year will be accepted until May 1, 1995. However, students who are applying for the summer or fall 1994 sessions should be advised to submit their applications as soon as possible but not before January 1, 1994. Many traditional schools have limited institutional aid funds that will be awarded on a "first-come, first-served" basis in the spring of 1994.

THE FEDERAL ROLE IN APPLICATION PROCESSING

Historically, standards for application processing and need analysis were developed in the 1950's by the financial aid community and independent servicers. As the federal share of need-based aid increased over the years, the law was amended to ensure that prospective students could apply for federal aid without paying a fee. The law also requires the Department to contract to the extent practicable with organizations for the processing of financial aid applications and issuing eligibility reports.

Currently, the Department contracts for two different kinds of processing services: application processing and calculation of federal student aid eligibility. There are four application processors but only one central processor for the eligibility calculation. Through contracts with other organizations, the Department has arranged for four different **application processing systems** to process the FAFSA and send the student's information to the **central processing system (CPS)**. The application processors are also responsible for printing the **Student Aid Report (SAR)** based on the EFC calculated by the CPS.



We will refer to these application processors as **FAFSA processors** for purposes of our discussion of the federal student aid delivery system, although several of the organizations may provide other services to students and schools. One of the FAFSA processors is the Department's own application processor. We will refer to this processor as the **ED application processor**.

Application Processors

- American College Testing, Iowa
- College Scholarship Service, New Jersey
- ED Application Processor, Iowa
- Pennsylvania Higher Education Assistance Agency

The application questions needed to apply for aid from the federal student aid programs appear on a stand alone form, known as the "Free Application for Federal Student Aid" (FAFSA). For the federal student aid programs, the end result of the application process is the eligibility report: the printed **Student Aid Report (SAR)** that includes the student's official EFC number or an electronic equivalent that is sent to the school. After the student's application has been processed, a SAR is sent to the student's home address, and the information on the SAR is sent electronically to the school. (Note that students who file an application through the **Electronic Data Exchange (EDE)** will *not* receive a printed SAR at their home address; the SAR information will only be sent to the school.) The student may submit a valid SAR (one on which all information used to calculate the EFC is complete and accurate as of the date the application is signed) to the school to receive a Federal Pell Grant; the school may also use the EFC on the SAR to award other federal aid.

However, for the 1994-95 award year, there are alternatives to using the SAR as a payment document for Federal Pell Grants. The school may also pay a Federal Pell Grant if it has received the student's EFC and application information from the CPS through **Institutional Student Information Reports (ISIRs)***, or EDE. This information must be presented to the student in printed form on an ESAR, and the student must sign to certify that he or she has had an opportunity to review this information and that the information is correct.

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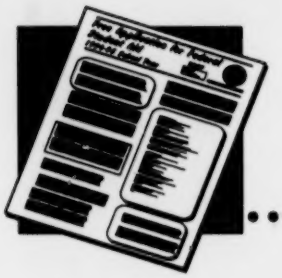
*ISIR refers to documents such as printouts from tapes or rosters. An ISIR is a report to a school from the CPS containing all of a student's application information. The ISIR may be a paper document or an institutional paper printout from a computer generated electronic record. Only schools reporting Federal Pell Grant disbursements electronically may rely on a signed ISIR in lieu of a SAR as final documentation of a student's eligibility for a Federal Pell Grant.

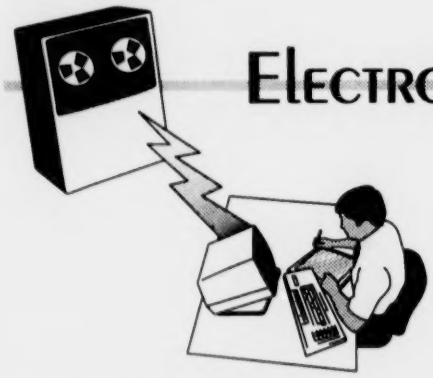


HOW TO APPLY

A student *must* apply for federal student aid by using the FAFSA or the new paper Renewal FAFSA. For 1994-95, the Department mailed Renewal Applications to students who applied for federal student aid in 1993-94, and who met certain conditions—for instance, their Social Security Number matched the last Social Security Number on their records. These students received a Renewal Application in the mail by January 1, 1994. Students may use this application rather than the FAFSA to apply for aid in 1994-95. Unlike previous years, a student must file a FAFSA even if he or she is only applying for a Federal Family Education Loan (FFEL) (formerly called Guaranteed Student Loan). A student does not have to pay a fee if he or she fills out only the FAFSA. However, a student may be required to fill out additional questions on a separate form in order to be considered for some state or institutional aid, and a fee may be charged for processing these additional questions. Note that the FAFSA now has state data elements that a number of states use to award aid. Check with your state agency to find out if it uses the information from the FAFSA to award aid or if it requires applicants to submit additional information.

Students also may apply for federal aid electronically through EDE. For colleges that participate, EDE allows a financial aid administrator or the student to enter application information using a personal computer or a mainframe system. After the financial aid administrator reviews the entered data, the information is sent electronically to the CPS. The CPS in turn processes it and sends the school an **Electronic SAR (ESAR)**. When filing through EDE, students should bring with them to the computer a completed signed, paper FAFSA, copies of income tax returns, parental information, current bank statements, current home debt information, and records of stocks, bonds, and other investments.

Schools that participate in EDE will also be able to participate in the renewal application process. A school may request information for all students who listed that school on the previous year's application or for selected students from that group. The school can then print out Renewal Applications. The student must provide new financial information, but can leave the other information the same if it has not changed. The new information is entered by computer keyboard, as in an electronic application.



Electronic Data Exchange (EDE) Services

Each part of the delivery process now has an electronic equivalent, from filing a financial aid application to reporting a Federal Pell Grant payment. The services offered under EDE can significantly speed up the application and corrections process. EDE services are provided as a part of the Department's contract for General Electronic Support. For more information contact: GES Customer Service (319) 339-6642.

FILING AN ELECTRONIC APPLICATION

Instead of mailing an application to the Federal Student Aid Programs, the student or financial aid administrator uses a personal computer or mainframe terminal at the school to send application information overnight to the Central Processing System. The student's EFC will be available to the school on the EDE system within 3 working days.

- Schools may also choose to send the application data to the Central Processing System on a magnetic tape/cartridge.

- Students who applied in the previous award year may update their application for the current award year, on a "renewal application."

- Students may enter the names of up to six schools to receive their application data.

EDE Services (cont'd)

RECEIVING APPLICATION INFORMATION

•A school will receive application data for all students who have listed that school on their applications. In addition, with the student's permission, and his or her Personal Identification Number a school may change the institution number and receive duplicate ESARs for students who did not originally list that institution on the FAFSA.

• Schools also have the option of receiving data on magnetic tape or cartridge, through the Applicant Data Roster and Tape Service. For more information contact the Systems Coordination Branch on (202) 708-7721.

•State agencies are able to receive student data for students residing in their state and for out-of-state students attending school in their state.

CORRECTING STUDENT INFORMATION

•A school may correct the student's information electronically, instead of using the hard-copy SAR.

REPORTING FEDERAL PELL GRANT PAYMENTS

•A school may submit the payment information for students who receive Federal Pell Grants electronically, rather than submitting Part 3 of the SAR (the Payment Voucher).

• The Electronic Payment Information function, formerly EDE Stage III, allows your school to transmit and receive Federal Pell Grant payment data electronically using record and data descriptions similar to those used for Recipient Data Exchange (RDE). For more information contact the Pell Grant Financial Management Division on (202) 708-9807.

• Schools also have the option of submitting payment data via magnetic tape (Recipient Data Exchange) or PC diskette (the Floppy Diskette Exchange). For more information contact the Pell Grant Systems Division on (202) 708-7716.

SUBMITTING AN INITIAL APPLICATION

Students must complete the application accurately and legibly, and must send it in on time to the address specified on the application. (See the last page of this Part for a complete list of deadlines.) Please caution students that there are **NO EXCEPTIONS** to the deadlines. It is important to note that states and schools often set earlier deadlines in awarding aid from other programs, including the federal campus-based programs (Federal Perkins Loans, Federal Supplemental Educational Opportunity Grant, and Federal Work-Study). School's deadlines should be made available well in advance of applying for financial aid.

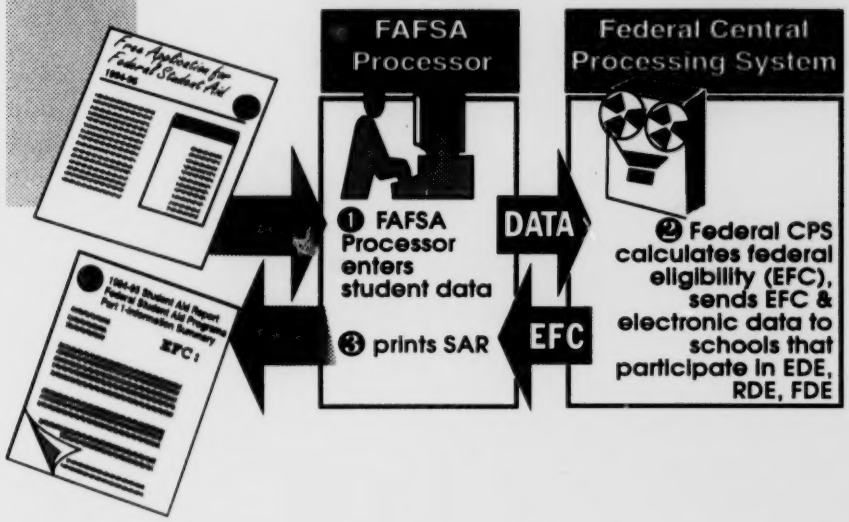
If you could give students only one piece of advice as they complete an application, it would be to **READ THE INSTRUCTIONS**. This statement cannot be overemphasized because most errors are caused by students misunderstanding what information is being requested. Errors on the application mean that corrections will have to be processed, which may mean that students who are otherwise eligible will not receive aid because their corrected information did not get to the school by the deadline, which is June 30, 1995, or the last day of enrollment for 1994-95, whichever comes first. Note that this deadline applies both to the receipt of a SAR or the day the ISIR is signed.

It is important for the student to save all records and all other materials used in completing an application because the student may need them later if either the Department or the student's school selects the student for a process called **"verification."** This simply means that the student will have to prove that what was reported on the application is correct. Many schools conduct their own form of verification.

In most cases, the student will deal only with one processor when applying for aid. This is known as the **"single-processor arrangement."** In any case the student sends the completed FAFSA to one of the FAFSA processors, which in turn enters the information that the student has reported on an application and sends it to the CPS . Once the information is processed, that same FAFSA processor will send a SAR to the student. Note that the student only has contact with the FAFSA processor — the CPS is invisible to the student.

SINGLE PROCESSOR ARRANGEMENT

In a single processor relationship, the student only has contact with the FAFSA processor. The CPS is invisible to the student. The student files the application with the FAFSA processor, and receives a Student Aid Report from that same processor.


FAFSA Processor
Federal Central Processing System
1 FAFSA Processor enters student data
DATA
2 Federal CPS calculates federal eligibility (EFC), sends EFC & electronic data to schools that participate in EDE, RDE, FDE
3 prints SAR
EFC

For 1994-95, the financial aid administrator may either use the FAFSA, the Correction FAFSA, the SAR or EDE to override the student's dependency status, for example, when circumstances make a student independent rather than dependent. The Correction FAFSA or Correction Application is identical in design to the regular FAFSA, except the word "correction" is printed on the first page of the FAFSA booklet as well as on the application form itself.

If a student has unusual circumstances that make him or her independent, the financial aid administrator may use professional judgment to override the dependency status determined in Section E of the application. Have the student fill out Sections A and E of a FAFSA or a Correction FAFSA in the usual manner. However, tell the student to fill out the independent student information on the remainder of the application, even though the instructions direct the student to fill out the blue-shaded areas as a dependent student. To override dependency status, the financial aid administrator (FAA) or an authorized member of the school's financial aid staff must complete the "School Use Only" box, found in Section H.

School Use Only

Dependency override: enter I ☑

Title IV Inst. Number 010101111

FAA signature: D. Choice

For 1994-95, you will enter "I" in the dependency override box, fill in your school's Title IV Institution Number and sign. Note that dependency status can only be overridden when changing the student's status from dependent to independent.

HOW THE APPLICATION IS PROCESSED

The federal CPS analyzes the information from the application and calculates an **Expected Family Contribution (EFC)** based on a formula developed by Congress to determine how much parents and students can be expected to pay toward a student's education. In essence, the EFC measures the family's financial strength, based on the income and assets of the student, the student's spouse, and, if the student is dependent, the student's parents. The EFC formula also takes into account the family's expenses, based on the number of persons in the household and the number of those persons attending college. (See **Appendix D** for more information on how the EFC is calculated.)

If the EFC is less than the cost of attendance, the student is considered to have **financial need**. A full-time student who receives an EFC of 0 may receive the maximum Federal Pell Grant award depending on the student's cost of attendance. The higher the EFC, the less the student's need for Federal Pell Grant assistance. If the student's EFC is above a maximum number determined each award year by Congress, the student will not receive a Federal Pell Grant.

The CPS will calculate a "simplified EFC" for students who meet certain income and tax filing requirements. Applicants who meet the simplified needs test do not need to provide information about their family's assets on the application. The tax filing requirement is the same as in previous years: neither the student or the student's spouse or the student's parents (for a dependent student) filed or is required to file an IRS Form 1040. The income limit for the simplified needs test has been raised from $15,000 to $49,999. Note that this limit applies to the income of an independent student and spouse, or to the income of a dependent student's parents, but the income of a dependent student is not counted towards this limit.

The formula also provides for an automatic zero EFC for some students. Applicants who meet the following requirements will automatically receive a zero EFC:

- for a dependent student, neither parent was required to file a 1993 IRS Form 1040, and the parents' taxable income is $12,000 or less

- for an independent student with dependents other than a spouse, neither the student (or spouse) filed or were required to file a 1993 IRS Form 1040, and the student (and spouse's) taxable income is $12,000 or less.

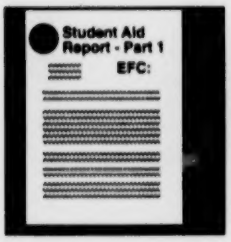
Independent students with no dependents other than a spouse do not qualify for an automatic zero EFC.

The CPS uses a series of "**edits**" to check the consistency of the student's information. For instance, it would be inconsistent for the dependent student of a single parent to report income earned from work for two parents. If the student's information is inconsistent, the CPS may be unable to calculate the EFC, or may calculate an EFC based on assumptions built into the processing system. The CPS also performs several **eligibility matches** to check the student's information against drug abuse conviction records maintained by the Department of Justice, citizenship records maintained by the Immigration and Naturalization Service, and registration status information maintained by Selective Service. If a student's name and Social Security Number (SSN) match information in records maintained by any of these agencies, the student may not be eligible to receive Title IV student financial aid, and it is noted on the SAR.

Beginning this year, the CPS will also send records to the Social Security Administration to check the validity of a student's SSN. The student will also receive a comment on the SAR if the SSN is a valid number, but the name does not match, or the name matches the SSN, but the date of birth does not. In addition, the Department conducts Loan Default Matches to identify students who have defaulted on a Federal Family Education Loan or other SFA loan held by a state guaranty agency or the Department. If a student is found to be in default and has not made satisfactory arrangements to repay, he or she will receive a comment on the SAR saying he or she is ineligible for aid until the default status is resolved.

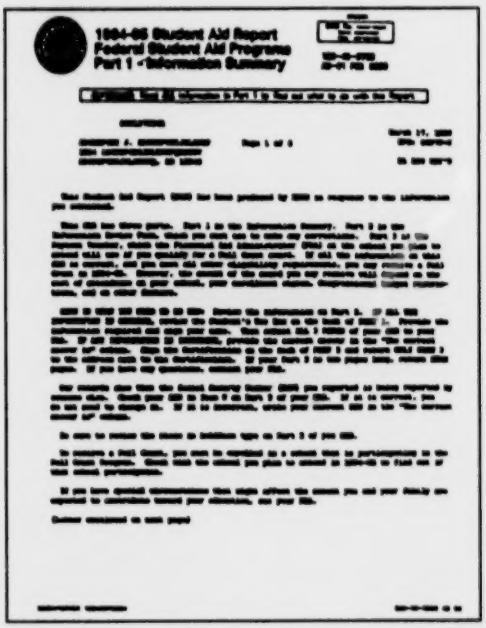
For electronic applications, the FAA can (if desired) anticipate certain assumptions the processor makes and correct or override them on the student's first application. Thus, the student's first SAR will not have to be reprocessed to confirm these assumptions. For example, if the household size and the number of people in college are equal to each other and more than 2, the processor assumes that the number in college should be 1. In an electronic application, the aid administrator can override this assumption if all members of the household are in fact enrolled in college. This override allows information contrary to the assumptions to be confirmed when first filing through EDE (rather than requiring later confirmation).

The student will receive a SAR within three weeks of filing a paper application. (The student's school may receive this information sooner, through EDE, or on an ISIR, if the student has authorized release of the information.) This document contains the student's EFC and comments about the student's application information. If the student completed a separate supplemental form required for some state or institutional aid, the processor may provide its own output document in addition to the SAR.



REVIEWING THE STUDENT AID REPORT

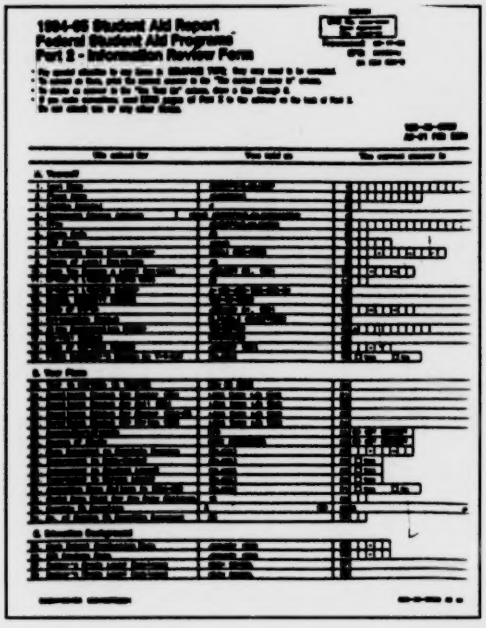
The SAR comes in several parts, with each part serving a different purpose. The student's eligibility status determines which parts of the SAR he or she will receive. A student should be advised to take all parts of the SAR to the school he or she plans to attend. Please note that the school may already have received the student's EFC and application information electronically from the CPS, and may award aid based on this data without receiving the printed SAR from the student. However, to be paid a Federal Pell Grant the student must either submit a copy of the SAR to the school or sign an ESAR or an ISIR.



Part 1 - Information Summary

Part 1 of the SAR is the Information Summary. This part serves as an **eligibility letter to the student**. The EFC is printed on the front (at the upper right) along with an explanation of the calculation and instructions for the student. A summary of the student's information is printed on the back of Part 1 along with the certification statements to be signed by the student: the Statement of Updated Information, Statement of Educational Purpose/ Certification Statement on Refunds and Default, and Statement of Selective Service Registration Status. For 1994-95, Part 1 has a separate section titled "FAA Information." This space is used to label the codes printed in this section. Additional information for the FAA, such as the results of data matches, is also provided in this section. A separate page is added to Part 1 for reporting National Student Loan Data System information on the student.

Part 2 - Information Review Form/ Information Request Form



The student uses the **Information Review Form** to make corrections if necessary. Part 2 has an expanded listing of the student's information under the "You told us" column, with space for the student to correct the information under the column headed "The correct answer is." Data elements that are questioned are highlighted in bold type in Part 2. For 1994-95, Part 2 is two pages (four sides) long for independent as well as dependent students. Parental data fields are printed on all SARs. These fields* are shaded to distinguish parental data from the student's data. If the student did not provide parental data, the parental data fields will be blank. If the student provided parental data on the original application, the data will be on the SAR even if the student is independent, and the information will be carried forward on all subsequent transactions.

The Information Request Form, rather than the Review Form, is sent when information provided by the student is rejected. This form provides space for the student to confirm data and provide new data. The Information Request Form *must* be completed correctly and returned to the FAFSA processor for the student to receive a Federal Pell Grant. Corrections to the SAR information may also be made electronically through the EDE system. Part 2 Information Review Form/ Information Request Form also contains helpful hints on reviewing the SAR, and a "For Your Information" section. The "For Your Information" section tells the student the approximate time needed to review and complete the SAR, informs the student that if he or she is convicted of drug distribution or possession his or her eligibility for Title IV student financial aid is subject to suspension or termination, and instructs the student what to do in case of special circumstances.

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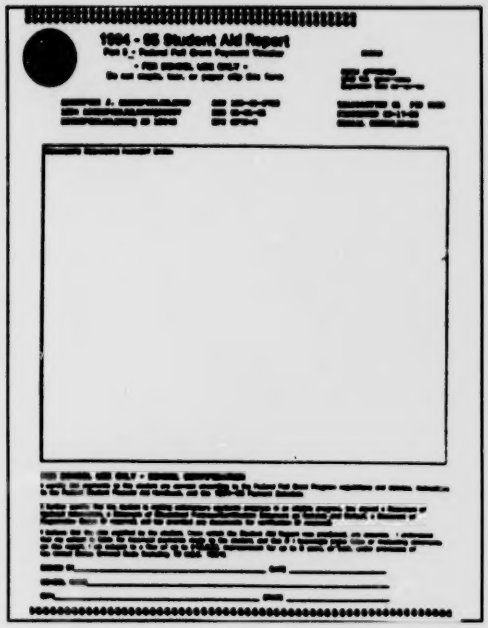
* Parental data fields will also be printed on ESARs and ISIRs. Previously, parental data was printed on the SARs of dependent students only; ESARs and ISIRs included this parental data for independent students, but only on the first transaction.

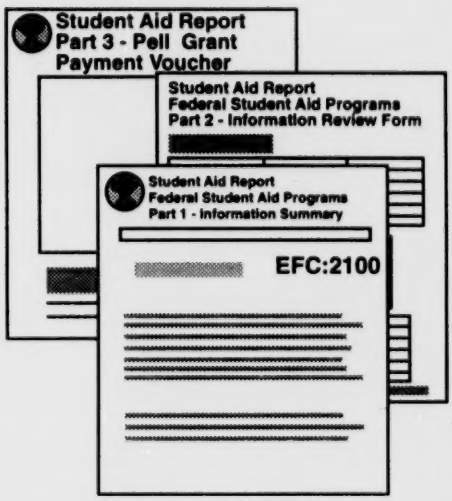
Part 3 - Federal Pell Grant Payment Voucher

If the student has a Pell-eligible EFC, the school may use Part 3 (the Payment Voucher) to report the Federal Pell Grant payment to the Department's Payment Management System. Alternatively, the school may choose to send this information to the Department via floppy disk, full data tape, roster or through the EDE System.



Types of Student Aid Reports

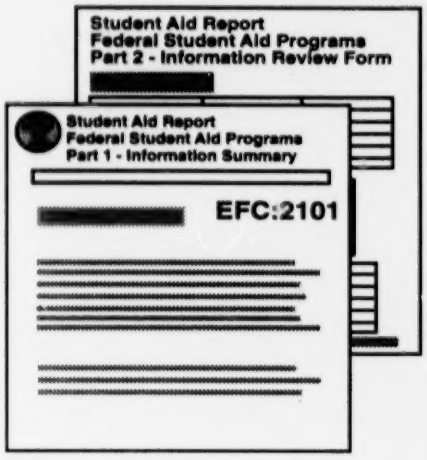
There are several different types of SARs depending on whether the student is eligible or ineligible for a Federal Pell Grant, and whether the student's information was consistent.



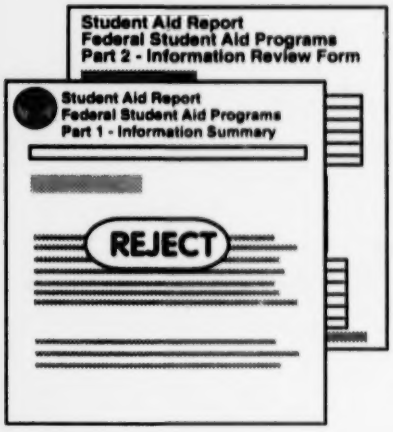
Eligible — The EFC falls beneath the cut-off for Pell eligibility.

If the student has a Pell-eligible EFC, the student will receive all three parts of the SAR. However, the student will still need to make any necessary corrections on Part 2. If you decide to use the secondary EFC (See **Using the Secondary EFC**), you must report the change in Item 10 on the Payment Voucher, which is sent directly to the Payment Management System. Changes reported in Item 10 will be reflected on the processed Payment Voucher you receive back from the Management System.

Ineligible — The EFC exceeds the Pell eligibility cut-off. In this case, the EFC can still be used to determine the student's eligibility for other aid.

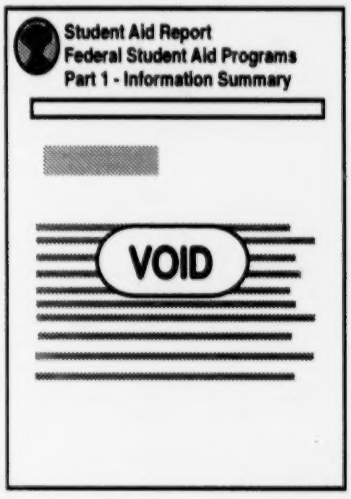


If the student has an official EFC but is ineligible, the student will only receive Parts 1 and 2 of the SAR. (Since the student is ineligible for Pell, a Payment Voucher is not sent.) If the student needs to make corrections, he or she must use Part 2 of the SAR. (See "Mastering the School Use Only" box later in this Part for more information on making corrections and recalculations. When you make a change (a recalculation) that will result in a Pell-eligible EFC, you must complete the "School Use Only" box on Part 2 of the SAR. The CPS will process the new information based on the corrections.



Rejected — The student must either provide missing information or correct or confirm information that is questioned before an EFC can be calculated.

If the student receives a rejected SAR (a SAR with no EFC), the student must correct the information using either Part 2 of that SAR or a Correction FAFSA. The comments on Part 1 of the SAR will tell the student how to proceed.



Void — The student has submitted an application with virtually no information reported, or with dependency information confused, or the application was dated before January 1, 1994. A void SAR also results from filing more than one FAFSA with the same processor.

If the student receives a void SAR after filing an initial application, the FAFSA processor will send the student an Information Summary (Part 1 of the SAR) with the data from the initial application and

a Correction FAFSA. The student must complete the Correction FAFSA and send it back to the FAFSA processor. The CPS will process the new information and a new SAR will be generated and sent to the student.

If the void SAR is the result of more than one application sent to the same FAFSA processor, the student should be reminded to use the SAR from the first application to make any further changes. If the student has lost the SAR, he or she should request a duplicate.

To request a duplicate SAR, the student should call the **Federal Student Aid Information Center at 1-301-722-9200**. This is a toll call. The student must provide his or her name, Social Security Number, and date of birth. A copy of the SAR will be sent to the student by the FAFSA processor that originally processed the student's application, unless the student requested the duplicate from a different FAFSA processor. The Information Center will not change an incorrect address over the telephone in order to send a duplicate SAR to a correct address. A request for a change in address must be made in writing (See **Appendix A**).

If the student's information has minor inconsistencies, the CPS may be able to make **assumptions** to calculate an official EFC. In this case, the CPS will transmit information to the FAFSA processor which in turn will send the student Parts 1 and 2 of the SAR. The inconsistent information will be highlighted on Part 2. The student is asked to review this information carefully for errors before submitting the SAR to the financial aid office. The FAFSA processor will include Part 3 of the SAR (the Payment Voucher) for those students who have a Pell-eligible EFC.

If the SAR contains incorrect information, or certain items that need to be updated, the student may have to make certain changes. We will discuss these changes in the next section.

Of course, there is another possibility that we haven't mentioned: the perfect SAR, on which all the information is consistent and accurate on the first transaction. Hopefully, most of the SARs that you receive will be in this category. In this case, the FAFSA processor that processed the application sends Parts 1 and 2 to the student, along with Part 3 if the student has a Pell-eligible EFC. If a student's application information is received through EDE or by roster or tape, the student must have an opportunity to review the information on the ESAR or ISIR and the ESAR or ISIR must be signed by the student to be considered valid.

Verification

The effectiveness of the federal student financial aid programs depends, in large part, on the **accuracy of the data reported by students**. The accuracy of data directly affects the eligibility of millions of applicants for these programs. The financial aid administrator may check the information the student reported on the FAFSA, usually by requesting a copy of the tax returns filed by the student and, if applicable, the student's spouse and parent(s). Many schools conduct their own form of verification. In addition, schools must verify students selected through the federal central processing system, following the procedures established by regulation. The FAFSA processor will print an asterisk next to the EFC on the SAR, ESAR and ISIR to identify students who have been selected for verification. (See *The Verification Guide, 1994-95* for more information on this process.)

Alternate EFC values on output document

Alternate EFCs for other than 9 months enrollment

To help schools calculate the expected family contribution (EFC) for students who are enrolled for more or less than 9 months, the Federal processor will be printing a grid with 12 alternate EFC figures, for enrollments of 1-12 months in length. (If a dependent student who was eligible for the simplified needs test completed the supplemental data on the financial aid application, 24 EFCs will be printed, for both the simplified and regular calculations.)

When alternate EFC must be used

The alternate EFC figures printed on an output document are the official EFCs specified by law for students who are enrolled for enrollment periods other than 9 months. If a student is enrolled for more or less than 9 months, the alternate EFC for that period of enrollment must be used when awarding aid from the campus-based or FFEL Programs. The alternate EFCs are *not* used for the Federal Pell Grant Program.

Location of alternate EFC

Alternate 1-12 month EFCs for students are printed in the FAA Information section on the te SAR, above the intermediate values. If both the simplified and regular formulas are used, the alternate EFCs will be printed in two rows. The top row will always be based on the simplified formula.

Use of simplified vs. regular EFC

If both the simplified and regular formulas are used, you may want to use the same type of calculation for the EFC. However, you may pay a student on a simplified EFC from the regular formula (or vice versa), if you determine that this is appropriate.

Intermediate values printed on output document

TI Total Income

AI Available Income

TC Total Contribution

ATI Allowances Against Total Income

DNW Discretionary Net Worth

APC Adjusted Parents' Contribution

STX State and Other Tax Allowance

APA Education Savings and Asset Protection Allowance

SIC Student's Income Contribution

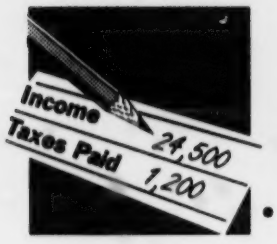
IPA Income Protection Allowance

PCA Parents' Contribution from Assets

SCA Student Contribution from Assets

EA Employment Allowance

AAI Adjusted Available Income



CORRECTIONS AND UPDATING

If the student's application information on the SAR, ESAR, or ISIR is incorrect, the information will have to be **corrected or updated**. A financial aid administrator may recalculate the student's EFC for the federal campus-based and FFEL Programs without having the student report the corrected or updated information to the processing system. However, for the Federal Pell Grant Program, all corrections must be reported to the CPS for recalculation of the EFC.

When a student files a FAFSA, it creates a "snapshot" of the financial situation of the student's family as of the date the application was signed. However, errors may occur as a result of a student filling in the wrong information on an application or from typographical errors by the data entry process at the FAFSA processor. A student may use the SAR to correct most application errors that were made on an initial application.

For instance, a dependent student reports $24,000 taxed income for her parents on an application filed on March 10, 1994. While reviewing her application information, she notices that she used her parents' total taxed income from the tax return, rather than the adjusted gross income figure, which was $19,000. Since the correct amount was $19,000, the student may make this correction to this item on Part 2 of the SAR, under the column headed "The correct answer is," and return it to the FAFSA processor that printed the SAR:

70. Exemptions Claimed	03	70.	
71. Adjusted Gross Income From IRS Form	$ 24,000	71.	$ 19,000.00

However, the student may not *update* income or asset information to reflect changes to her family's financial situation that took place after the initial application. For example, if the same student's family sold their business on June 1st, the student may not update her information to show a business value of zero unless there is also a change in marital status. (Nor would she have to update to report the income from the sale.)

To correct the SAR, the student must enter the correct information for that line item on Part 2 of the SAR, and mail Part 2 back to the FAFSA processor that produced it. (The student and spouse, if the student is married, must sign Part 2 when submitting corrections; at least one parent of a dependent student must also sign.) If the student's corrections are being made through EDE, the corrected data will be processed by the CPS and an ESAR will be returned to the school. Since there is no way to sign the SAR when making electronic corrections, the ESAR that is printed out *after* corrections have been made must be signed by the student (and spouse or parent, if student is married or dependent). Note that corrections made through EDE will not be transmitted to any FAFSA processor.

As noted previously, most of the information on the application may not be updated to reflect changes after the application has been filed. However, there are three items that a student *must* update if the information on the application changes for a reason other than a change in marital status:

- **Dependency Status.** All dependency status changes made *during the award year* must be reported by using a Correction FAFSA, the SAR, or through EDE. Note that a student's dependency status may not be updated as a result of a change in marital status.

- **Number of family members (household size).** The student may use the SAR or EDE to report a change in household size. Household size must be updated to be accurate as of the date the student submits the SAR to the school—or the date verification is completed, if the student is being verified.

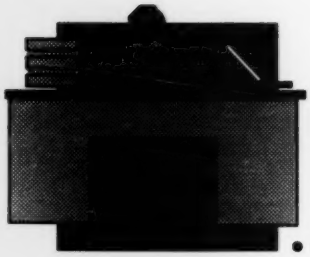
- **Number of college students.** The student may use the SAR or EDE to report a change in the number of family members who are attending postsecondary school. The number in college must be updated to be accurate as of the date the student submits the SAR to the school—or the date verification is completed, if the student is being verified.

Note that the Correction FAFSA is considered to be a separate application, even if the student has previously filed a regular application. If the student has previously filed an application, the Correction FAFSA will create a "second picture" of the family's financial situation—the student answers *all* of the questions on the Correction FAFSA based on the family's situation on the day the Correction FAFSA is signed. In essence, then, *all* of the student's information is updated to the time of application on a Correction FAFSA.

An FAA may only override an applicant's dependency status to make a dependent student independent. The override is not used in reverse, to make an independent student dependent.

For 1994-95 you may use the SAR to override a student's dependency status. This is done by checking the dependency override box in the "School Use Only" box on the SAR. Whenever an FAA uses professional judgment to change dependency status, that decision must be made on an individual basis and documented in the student's records.

If the student's answers to the questions in Section E of the FAFSA appear to make the student dependent, the FAA is required to fill out the "School Use Only" box, to override the dependency status. The student fills out the gray and white areas of the form (for independent students), even though the instructions state that the blue and white areas (for dependent students) should be used. The FAA then authorizes the dependency override by filling in the override code, the school's Title IV Institution Number, and signing in the "School Use Only" box. Note that the FAA does not have to fill out the "School Use Only" box on the Correction FAFSA unless a dependency override is involved.



USING PROFESSIONAL JUDGMENT

The use of professional judgment has been expanded to include adjustment of the EFC used to award aid from the Federal Pell Grant Program. (Previously, FAAs could only adjust the need analysis for campus-based aid and the Federal Family Education Loan Programs.)

You may use your professional judgment to either increase or decrease one or more of the data elements used to calculate the EFC. The reason must be documented in the student's file and it must relate to that student's special circumstances. Special circumstances are conditions that *differentiate* an individual student, not conditions that exist for a whole class of students. Thus, adjustments may only be made on a "case-by-case" basis.

The FAFSA does not collect information on special circumstances, but a notice in Section H tells applicants to notify the financial aid administrator if they have special circumstances. The FAFSA gives examples of elementary or secondary school tuition, unusual medical or dental expenses, a family member who is a dislocated worker, or other unusual circumstances. Professional judgment is not limited to the situations mentioned, and could include those circumstances that were considered to be "special conditions" in previous school years, such as divorce, separation or the death of a parent or spouse after the application was filed. Note that professional judgment can only be performed on the SAR once the EFC has been calculated.

In exercising professional judgment, you may no longer make a direct change to the EFC figure, assessment rates, or allowances; you may only adjust an actual data item. The data item that is changed should reflect the student's special circumstances. For example, if a family member is ill, you might adjust the adjusted gross income to allow for lower earnings in the coming year, or you might adjust assets to indicate that family savings will be expended on medical expenses. Because items like medical expenses and tuition do not appear on the application or the SAR, you need to be familiar with the elements in the formula so your professional judgment changes are made and documented properly.

If you make an adjustment for a student who may be eligible for a Federal Pell Grant, the SAR must be used to send the adjusted information back to the FAFSA processor. (If you are using EDE services, you may use the corrections function to make the change electronically—in this case, you will receive the resulting ESAR at the school, but the student will not receive a paper SAR in the mail.) An adjustment to a line item is made just like a correction—the aid administrator reports the adjusted amount on Part 2 of the SAR in the column labelled "The correct answer is:". For instance, if the Adjusted Gross Income is $20,000, but the FAA decides to adjust that figure to $17,000 to take into account unusual medical expenses, the aid administrator would make the following change on the Student Aid Report:

71. Adjusted Gross Income From IRS Form	$	20,000	71.	$ 17,000.00

The FAA must also indicate that an adjustment is being made in the "School Use Only" box. (See the discussion of the "School Use Only" box later in this Part.)

If an FAA uses professional judgment to adjust a SAR line item, the resulting EFC must be used consistently for all federal student aid that the school awards to that student. For example, if the aid administrator adjusts the EFC for purposes of awarding the student's Federal Pell Grant, that adjusted EFC must also be used to award aid from the campus-based or FFEL programs.

- *Other uses of professional judgment*

The FAA can use professional judgment to adjust the student's cost of attendance to take into account special circumstances.

The law also authorizes FAAs to use professional judgment to override the student's reported dependency status to make the student independent. The override may be reported in the "School Use Only" box in Section H of the FAFSA or Correction FAFSA or on Part 2 of the SAR. Note that a separate letter from the FAA attached to the application is not acceptable for the 1994-95 school year.

You may only change the student's status from dependent to independent. If your information indicates that an independent student is receiving substantial support from his or her parents, you may adjust one or more of the data elements in the EFC calculation or adjust the cost of attendance to reflect this additional source of financial support.

As with adjustments to the EFC, remember that any dependency overrides or adjustments to the student's cost of attendance must be on a "case-by-case" basis and the reason for the adjustment must be documented in the student's file.

Mastering the "School Use Only" Box

The "School Use Only" box on the SAR enables you to tell the CPS when you have adjusted a line item on the SAR, changed a student's dependency status, and when you have made a first payment of a Federal Pell Grant to the student based on your recalculation of the EFC. There are six common scenarios:

1 *You have the student correct a line item on the Student Aid Report, but you choose not to use the first payment option.* You don't need to make any notation—simply have the student correct the SAR and mail it to the FAFSA processor.

2 *You have the student correct a line item on the Student Aid Report, and you make a first payment to the student based on your recalculation of the EFC.* Write the recalculated EFC that you used to pay the student in the spaces marked "FAA recalculated EFC."

3 *You make an adjustment to one of the line items on the Student Aid Report, but you choose not to use the first payment option.* Check box labelled "Adjusted EFC Calculation Requested," to let the processor know that the change was an adjustment rather than a correction to the line item.

4 *You make an adjustment to a line item on the Student Aid Report, and you make a first payment to the student based on your recalculation of the EFC.* Write the recalculated EFC in the spaces marked "FAA EFC Adjustment."

5 *You correct a data element on the Student Aid Report, and you adjust a different data element.* A combination of changes should always be reported as an adjustment. Either check the box labelled "Adjusted EFC Calculation Requested," and, if you are using the first payment option, enter the recalculated EFC that you used in the spaces marked "FAA EFC Adjustment."

6 *You use the Student Aid Report to change a student's dependency status from dependent to independent.* Check the dependency override box.

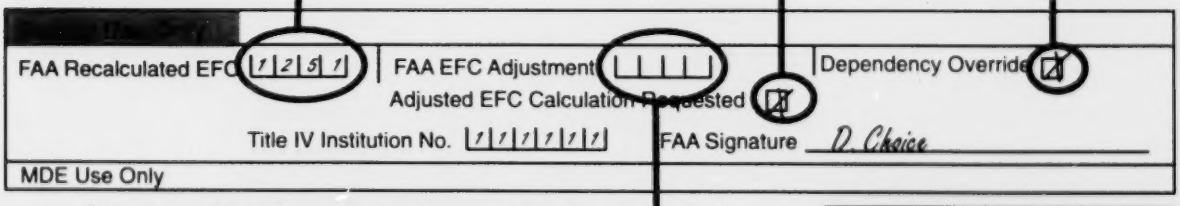
Whenever you are indicating changes in the "School Use Only" box, you must fill in your school's Title IV Institution number, and sign your name.

The CPS will send a Recalculation Confirmation Report listing the EFC as recalculated by the school and noting any discrepancies with the EFC calculated by the CPS. If there is a discrepancy, the school must take whatever actions necessary to correct the overpayment or underpayment, including adjusting future aid payments or restoring funds to program accounts.

If a **correction** has been made to the Student Aid Report and you have made a first payment to the student based on your recalculation of the EFC, write the recalculated EFC in these spaces.

If you have **adjusted** one of the line items on the Student Aid Report, check this box to let us know that you have adjusted the student's information.

If you have changed the student's status from dependent to independent, check this box.



If you have **adjusted** one of the line items on the Student Aid Report and you have made a first payment to the student based on your recalculation of the EFC, write the recalculated EFC in these spaces.

Don't forget to write in your school's Title IV Institution Number, and sign.

USING THE OFFICIAL EFC TO DOCUMENT ELIGIBILITY

The "official" EFC is the EFC calculated by the CPS, using the CPS edits and eligibility matches. The EFC printed at the top of the first page of the SAR, the secondary EFC, and the alternate EFCs printed in the "FAA Information" section of the SAR, are all considered "official" figures that can be used for payment. The CPS may provide the school with an official EFC on an ESAR, an ISIR, or cartridge. The official, CPS-produced EFC may also be provided on a nonfederal output document produced by one of the FAFSA processors as a part of its proprietary services. An EFC from a source other than the CPS or in some instances a FAFSA processor, is considered an estimated figure.

An applicant for federal student aid must first send a FAFSA to one of the four approved application processors to determine eligibility. The only exception to this rule is students who are applying only for a PLUS loan. Thus, every applicant for federal student aid will have passed through the CPS's eligibility matches and will have received an official EFC.

Payment for a Federal Pell Grant must be based on the student's official EFC, and any recalculation of the EFC must be resubmitted through the CPS to establish eligibility for a Pell payment. Ultimately, you must have in your records *the student's final, correct application data and EFC from the federal CPS* to document the student's eligibility for the Federal Pell Grant.

The student's valid SAR may serve as the eligibility document, or a signed copy of the student's application information and EFC from the CPS may be used. Your school may receive this information from the CPS through EDE, on an ISIR. If the eligibility document is an ESAR or ISIR the document must be signed by the student to confirm that the student has had an opportunity to review the information. (See the discussion of signature requirements later in this Part.) You may request that the student bring the SAR to the school, but you may not *require* that the student submit a SAR, if the student can establish eligibility for payment by signing an ESAR or ISIR or printout with the official EFC and final, correct application information from the CPS. If your school does not receive ISIRs from the CPS and does not participate in EDE, you must obtain a paper SAR for each of your Federal Pell Grant recipients.

For the federal campus-based and FFEL programs (except PLUS), you must have in your records at least one output document for the student containing an official EFC and data processed by the CPS: a SAR, ESAR, ISIR. This output document need not be signed, and it need not contain the final, corrected or adjusted data for that student. It merely documents that the student's data has been processed through the CPS and has been verified through system edits and the eligibility matches.

You may not make payments based on an *estimated* EFC that is provided on a nonfederal output document or from another source. (For example, in some cases a FAFSA processor will provide an estimated EFC on its proprietary, nonfederal output document for an applicant who was rejected by the CPS.) Packaging can be based on an estimated EFC and a loan application can be certified with an estimated figure, but funds cannot be delivered until the school has received an official EFC from the CPS. If you have received the official EFC but need to correct or adjust the student's information, you may pay the student campus-based or FFEL funds based on your recalculation of the EFC. Or, you may choose to obtain a new official EFC from the CPS by making changes through EDE or having the student submit a corrected SAR to the FAFSA processor.

The school is liable for any recalculation errors that result from using an EFC that was calculated at the school or through a need analysis servicer. Schools should note that the Department no longer certifies the accuracy of the calculations performed by need analysis servicers. However, the Department will distribute copies of its Electronic Need Analysis System (ENAS) to postsecondary schools prior to the beginning of the 1994-95 award year. The ENAS program will calculate the same EFC as the CPS; however, the student's information must be processed by the CPS at least once, because the eligibility matches cannot be performed by ENAS.

You may make a first payment of a Federal Pell Grant to an eligible student without having the final documentation of eligibility, under the following circumstances.

- **EFC on nonfederal output document.** You may make a first disbursement of a Federal Pell Grant to the student before you have received a SAR or other output document from the CPS if you have received a nonfederal output document from one of the FAFSA processors that contains the student's information and EFC as processed by the CPS. Please remember that this nonfederal output document does not serve as final documentation of eligibility for a Federal Pell Grant.

- **Correcting data for a Federal Pell Grant.** If you have received the student's information and EFC, as processed by the CPS,* but there is an error, you may recalculate the EFC at your school and make a first payment of a Federal Pell Grant based on that recalculation. If you are making the correction on a paper SAR, you must report the recalculated EFC in the "School Use Only" box on the back of Part 2 of the SAR (as shown later in this Part), fill in the Title IV Institution Number for the school, and sign on the designated signature line. The recalculation must be based solely on the correct information that the student reports in accordance with the instructions on the application.

- **Professional judgment for a Federal Pell Grant.** If you have received the student's information and EFC, as processed by the CPS,* but you wish to use professional judgment to adjust the student's data, you may adjust the EFC at your school and make a first payment of a Federal Pell Grant based on that adjustment. The "School Use Only" box on the back of Part 2 of the SAR is also used when reporting the use of professional judgment to adjust a data element used to calculate the EFC. Report the EFC that you have adjusted in the spaces provided for "FAA EFC Adjustment," and fill in the Title IV Institution Number for the school and sign. If you are using the EDE, you must enter the adjusted EFC in the "Office Use" section, next to the abbreviation "Adj EFC."

Once the "first payment" option has been used, no further payments can be made to the student until the student brings you the valid SAR, or signs an ESAR or ISIR of the corrected/updated/adjusted EFC and application information from the CPS. Both the school and the student are liable for the first payment if the school does not ultimately receive the final documentation of the student's eligibility for payment within the established deadlines.

There are two situations in which the option of using a first payment cannot be used:

- **Change in dependency status.** If the student's dependency status changes, the student may submit an entirely new application (the Correction FAFSA), or use the SAR

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* The CPS-produced information must be received on a SAR, ESAR, ISIR , cartridge, tape or diskette.

- **No official EFC.** No payment can be made if the student did not receive an official EFC. For example, if the student received a rejected SAR, the information is incomplete and the SAR does not provide a calculated EFC for the student.

There is no "first payment" option, per se, for the campus-based and FFEL programs. Once you have received the student's EFC and application information, as processed by the CPS,* you may make all payments for which the student is eligible. As we mentioned earlier, you are not required to resubmit corrections or adjustments to the FAFSA processor or CPS for recalculation of the EFC if the student is only eligible for federal campus-based or FFEL funds.

An EFC with an asterisk (*) beside it means that the student has been selected by the Department for verification. If the student has been selected for verification, but verification has not been completed, you have other first payment options, as described in *The Verification Guide, 1994-95.*

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* The CPS-produced information must be received on a SAR, ESAR, paper roster, electronic tape or cartridge.

Signature Requirements (Federal Pell Grant)

The signature requirements for the SAR) and other output documents ensure that the student (and, if necessary, the student's spouse and parents) have had an opportunity to review the processed application information for accuracy. These signature requirements apply to recipients of Federal Pell Grants only.

If the student submits a paper SAR, he or she must sign a statement certifying that the information for household size, number in college, and dependency status has not changed since the time the application was filed, unless there were changes as a result of marital status. This statement is printed with other certifications on the SAR, but it may be collected, with or without the other certifications, on a separate sheet of paper. If the school has received the student's information through EDE, the student must sign the certification statements on an attachment to the ESAR printout, including a statement confirming the accuracy of the information on the ESAR.

If a line item on a paper SAR is **corrected,** the student and the student's spouse and at least one parent (for a dependent student) must sign Part 2 of the SAR before it is returned to the FAFSA processor. If the FAA indicates that one or more line items on the SAR have been **adjusted,** the adjustment(s) can be processed without the signatures of the student, spouse, and parent. For changes that are received through EDE, the student, spouse, and parent must sign the certification attesting to the accuracy of the ESAR if corrections were made to the application information—if an adjustment was made, only the student need sign the certification.

For the 1994-95 award year, a student may also establish eligibility for a Federal Pell Grant by signing a statement that he or she has reviewed the EFC and application information provided by the CPS on an **ISIR**. Unlike the SAR, tapes and paper rosters do not include the certification statements that attest to the accuracy of the information. A school may collect the certification statements on a separate sheet of paper. A model statement that includes other necessary certifications is provided on the next page.*

For ISIRs printed from **full-data tapes**, a school may collect the certifications on a separate sheet of paper, or it may provide the certification and signature blocks in its computer programs so that, when it generates a paper copy of a student's information, the certification and signatures appear on that printout.

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* The model statement may be used to collect certifications that are required for all of the student aid programs, such as the Statement of Educational Purpose. Please note that the student may be required to sign the Statement of Updated Information for the campus-based and FFEL programs for verification requirements.

If no corrections have been made, only the student need sign the certification statements attesting to the accuracy of the information on the **ISIR**.

Finally, bear in mind that if the student is submitting an **electronic application** or electronic correction application, you must obtain the student's signature on a completed paper application or on the "echo document" printed from an electronic FAFSA that is filed through EDE, and keep it in your files even if the student does not receive federal student aid. For your reference, we are including below a model statement that can be used to collect these signatures when such a statement is not provided ont he ISIR. Please note that this statement includes additional eligibility certifications relating to Educational Purpose, Registration Status, and Refunds nd Defaults. (These requirements are discussed in Chapter 2 of the *Federal Student Financial Aid Handbook, 1993-94*.)

MODEL CERTIFICATION FOR TAPE AND ROSTER OUTPUT

CERTIFICATION

All of the information contained on the output document is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1993 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this output document, I may be subject to a $10,000 fine, a prison sentence, or both.

Statement of Updated Information

I certify that, as of the date I signed this statement, all information regarding my dependency status, number of family members, and number of family members attending college reflect any changes that have occurred since I applied, other than any changes caused by a change in marital status.

Statement of Registration Status

____ I certify that I am registered with Selective Service

____ I certify that I am not required to register with Selective Service, because:

____ I am a female

____ I am in the armed services on active duty

(Note: Does not apply to members of the Reserves and National Guard who are not on active duty)

____ I have not reached my 18th birthday

____ I was born before 1960

____ I am a resident of the Federated States of Micronesia or the Marshall Islands, or a permanent resident of the Trust Territory of the Pacific Islands (Palau)

Statement of Educational Purpose/Certification on Refunds and Default

I certify that I do not owe a refund on any grant or loan, am not in default on any loan, and have not borrowed in excess of the loan limits, under the Title IV programs at any institution. I will use all Title IV money received only for expenses related to study at

_____

Name of institution

Student _____ Date: _____

Spouse _____ Date: _____

Parent _____ Date: _____

Parent _____ Date: _____

Signature Requirements for Application and Verification Information

... general requirements for federal student aid

	Must sign statement on FAFSA that data is accurate	*Tax return must be signed by student (or spouse) or by the tax preparer (or preparer's stamp)*	*Must sign worksheet*
	Must sign statement on FAFSA that data is accurate		*Must sign worksheet*
	At least one parent must sign the statement on the FAFSA that data is accurate	*Tax return must be signed by at least one parent or by the tax preparer (or preparer's stamp)*	*Both parents must sign if parents are married; if single, the responsible parent signs*

... additional requirements for receipt of a Federal Pell Grant

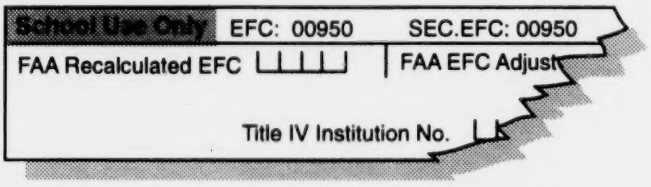
Student	*Must sign statement that data is accurate*	*Must sign corrections statement on Part 2 of SAR*	*Must sign statement that data is accurate*	*Must sign statement that data is accurate*
		Must sign corrections statement on Part 2 of SAR	*Must sign statement that data is accurate*	*(Must sign if there are also corrections)*
		At least one parent must sign the corrections statement on Part 2 of the SAR	*At least one parent must sign statement that data is accurate*	*(Note that if there are also corrections, at least one parent must sign)*

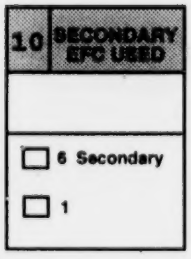
* The statement that data is accurate on the paper SAR does not have to be signed by student/spouse/parent— by submitting the SAR the student takes responsibility for the accuracy of the data. The financial aid administrator must also sign Part 2 of the SAR if he or she is making adjustments.

USING THE SECONDARY EFC

If the student qualifies for the **simplified needs test**, the CPS will calculate an EFC based on a **"simplified" formula**, which does not use assets or certain offsets. If a student who qualifies for the simplified needs test fills out the supplemental data on the application, two EFCs (a primary EFC and a secondary EFC) will be printed on the SAR.

The simplified formula EFC is the primary EFC, and will be printed on the front of Parts 1 and 2 of the SAR. Both the primary EFC and the secondary EFC (calculated by including the supplemental data) will be printed at the top of the "School Use Only" boxes.





If either formula results in an eligible EFC, the student will receive the full 3-part SAR that includes the Payment Voucher (Part 3). To use the secondary EFC in determining the student's Federal Pell Grant award, simply mark "Secondary" in Item 10 of the Payment Voucher. (Don't fill in the actual number.)

The need to use the Secondary EFC should be very rare in 1994-95. Such a change can only be made on the Payment Voucher (Part 3) or through EDE. Any other changes must be requested on a Correction FAFSA or Part 2 of the SAR, to generate a valid Payment Voucher.

RECORD INFORMATION TRANSFER

The student's data from a FAFSA is sufficient to award aid from the SFA programs, no matter which FAFSA processor processed the FAFSA. However, a school may require the student to provide information to a particular FAFSA processor for purposes of awarding its own aid. If the student has already filed a FAFSA through a different FAFSA processor, the student may request in writing that the information from the FAFSA be transferred from the FAFSA processor that processed the FAFSA to the FAFSA processor preferred by the school. There is no charge for this process, which is known as a Record Information Transfer (RIT).

To transfer data, a student who has already applied for federal aid may use either of the following methods:

- Send a letter to the new FAFSA processor requesting a duplicate SAR. If a student files an application with FAFSA processor #1, then writes a letter to FAFSA processor #2 requesting a duplicate, FAFSA processor #2 will transmit the information to the CPS, and the student will receive a SAR generated by FAFSA processor #2.

- Send a letter to a new FAFSA processor requesting an address change or that his or her data be sent to a school not previously listed in the "Information Release" section of the FAFSA.

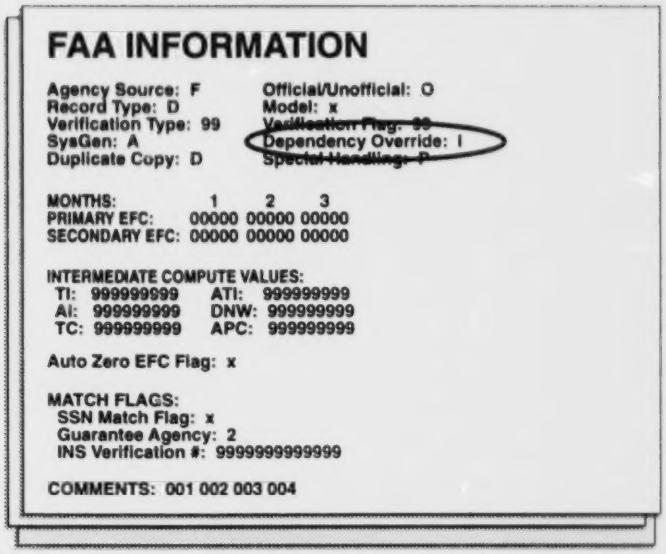
The CPS will transfer data from one FAFSA processor to another when the student completes a subsequent application through a different FAFSA processor. For example, if a student files an application with FAFSA processor #1, then subsequently files an application with FAFSA processor #2 , the SAR generated by FAFSA processor #2 will contain the data from the FAFSA processor #1 application, although the address and list of institutions may be different. **Note that a school must accept a valid SAR in awarding federal student aid, regardless of the FAFSA processor**.

FEEDBACK FROM THE PROCESSING SYSTEM

The federal processing system will identify changes that have been made by an FAA (such as dependency overrides and recalculations) by printing comments on the SAR and on other output documents. This will be helpful if the student has submitted more than one application. In particular, you will need to know if a transfer student's information has been changed by a financial aid administrator at another school.

For instance, it is possible that a student will submit applications both as a dependent and as an independent student during the same award year. This will usually happen where the student sends an application as a dependent student, and the FAA later determines that the student should be considered an independent student due to unusual circumstances and has the student fill out a Correction FAFSA. The processing system will accept both applications, and produce valid SARs for both situations. However, for 1994-95 there should be fewer cases where a student files both an original and Correction FAFSA since a student's dependency status may be changed on the SAR.

The FAA should be careful that the correct information is used for the student for that payment period. Only the correct SAR may be submitted for a single payment period for Federal Pell Grant payments, and the dependency status on that SAR must match the dependency status in the school's records for that student. In addition, any corrections made to the SAR information must be made on Part 2 of the SAR with the correct dependency status. Also keep in mind that a new student may have applied to other schools as well as your own, and may present a SAR that is the result of a dependency override at one of those schools. Before you pay the student based on that SAR, you must determine whether the student would be considered independent at your school, and document that decision in the student's file.



The CPS will identify a SAR that is the result of a **dependency override** by printing a comment in the eligibility letter to the student (Part 1). In addition, the letter "I" will be printed next to Dependency Override in the "FAA Information" section of the SAR.

The name of the school that entered the override code will appear in the "College Name" field on Part 1 and Part 2 of the SAR. The school of record will also receive notification that the dependency override has been used, either on the hard copy roster, abbreviated data tape, or the full data tape.

A SAR that has been reprocessed based on an FAA's **recalculation of the EFC** or **adjustment of a data element using professional judgement** will have a comment to that effect on Part 1 of the SAR. The SAR will also have an "R" (for a recalculation) or an "A" (for an adjustment) printed in the "FAA Information" section. Cumulative "confirmation reports" will be sent on a monthly basis to schools that submit recalculated EFCs, identifying the student by name, address, and Social Security number, and giving the transaction number, the processing date, and the EFCs recalculated by the school and by the processing system. Notification of recalculation is also given on the hard-copy roster, abbreviated data tape, and the full data tape, for schools receiving rosters and tapes. You must resolve any discrepancies between an EFC that you calculated and the EFC calculated by the CPS to ensure that the same data was used to calculate the EFC. (If your school uses rosters and tapes, refer to the instructions provided in the "Dear Colleague" letter for that service.)

The letter "C" printed next to the EFC indicates that there are certain comments requiring further action by the school. For example, if the CPS determines through either of the Loan Default Matches that the student is in default on a federal student loan, this flag (C) will be printed in addition to the appropriate comment. The flag is printed if the loan default, Selective Service, Department of Justice, Social Security Administration or INS matches produce information requiring resolution by the school.

The comments that are printed in Part 1 of the SAR are identified by numbers in the processing system. For instance, comment 141 is the paragraph that is printed if the student needs to submit proof of citizenship status. Many FAAs are familiar with these numbers, which are listed in the Applicant Data Tape record description provided to schools receiving data tapes, the *Federal Student Financial Aid Handbook*, the GES User's Guide, and the SAR User's Guide. As a convenience to these FAAs, the numbers of all the comments included in the SAR will be printed in the "FAA Information" section.

Reference Chart:

filing a financial aid application

To apply for federal student aid ... **... fill out a Renewal FAFSA, FAFSA or an Electronic Application**	Students who applied in the previous award year and who meet certain conditions will receive a Renewal Application from the CPS. Prospective students who are applying for the first time in the award year should fill out the FAFSA, and send it to the processor identified on the accompanying envelope. At some schools, students may be able to file an Electronic Application using a computer terminal.
To apply for the first time , using dependency override ... **... aid administrator must authorize override on FAFSA**	If it appears that the applicant should be considered an independent student because of special circumstances, the financial aid administrator has the authority to approve a dependency override on the FAFSA.
To correct application information ... **... use Part 2 of SAR, or EDE**	If the applicant discovers errors on the SAR, he or she must correct those errors on Part 2 of the SAR and return it to the FAFSA processor that printed the SAR. (Corrections also can be made electronically through EDE.) The information on the SAR may only be corrected to what was accurate on the date the application was signed.
To update dependency status, household size , or number in postsecondary education ... **... use Part 2 of SAR, or EDE**	A student must update dependency status,household size, and number in postsecondary education if that information changes during the school year, unless the change was the result of a change in marital status. This information may be updated by using Part 2 of the SAR (or the electronic SAR, if the school uses the EDE system).
To override dependency status after first application ... **... aid administrator must authorize override on the SAR, a Correction FAFSA, or Electronic Application**	If an applicant has already filed an application, but the financial aid administrator determines that he or she should be considered an independent student because of special circumstances, the administrator may override the dependency status by using the SAR, a Correction FAFSA, or an Electronic Application.
If the family has special circumstances ... **... aid administrator may make individual adjustments**	If the aid administrator believes that the family's circumstances warrant a change in the need assessment, the aid administrator may use his or her professional judgment to adjust the student's cost of education or data elements on which the student's EFC is calculated.

94-95 Application Deadlines

A regular **FAFSA, a Renewal FAFSA,** (or a Correction FAFSA filed as a first-time application) must be received by the application processor no later than May 1, 1995.

If the student files a **Correction FAFSA** after filing an initial application, the Correction FAFSA must be received by the application processor no later than July 31, 1995.

If the student needs to make **SAR corrections**, the SAR must be received by the application processor no later than July 31, 1995.

A student may request a **duplicate SAR** by telephone or in writing through July 31, 1995.

To establish eligibility for a Federal Pell Grant, the student must either **submit a valid SAR** to the school's financial aid office or **certify his or her final, correct application information*** while he or she is still enrolled for that award year, but no later than June 30, 1995.

A student whose application information is being **verified** may be given up to 60 days after his or her last day of enrollment to submit the SAR to the school or certify the application information.* However, the verification extension cannot extend beyond August 28, 1995.

**Application information from the federal Central Processing System that the school receives in the form of a paper roster or printout from an electronic tape, cartridge, or EDE. To establish eligibility for a Federal Pell Grant, the student must sign the final, correct application information on the printout by the relevant deadline date above. The school may set an earlier deadline for students to submit paperwork for initial application or changes to be made through EDE.*

Part III:
Filling Out the Free Application for Federal Student Aid

As mentioned earlier, in Part II of this *Handbook*, the student does not have to pay a fee for filling out the Free Application for Federal Student Aid (FAFSA). Information collected on this application is required by law to be used to calculate the Expected Family Contribution (EFC). The FAFSA is developed by the Department in conjunction with other agencies. Comments on the design of the form are solicited from the public every January. Comments may be sent to:

Applicant Systems Division
U.S. Department of Education
ROB-3, Room 4651
7th & D Streets, S.W.
Washington, D.C. 20202*

The instructions on the application explain how each question is to be answered. However, due to limited space, the instructions cannot address every possible family situation. In the following pages, we have provided a copy of the 1994-95 application. In addition, we will discuss the purpose of the application questions, and discuss how information should be reported in some unusual cases.

* Please note, however, that much of the information collected on the application is specified by law, and is needed to compute the EFC Therefore, any comments should take into account the requirements of Section 474 of Title IV of the Higher Education Act of 1965, as amended.

Free Application for Federal Student Aid

1994-95 School Year

WARNING: If you purposely give false or misleading information on this form, you may be fined $10,000, sent to prison, or both.

"You" and "your" on this form always mean the student who wants aid.

FFFFF

Form Approved
OMB No. 1840-0110
APP. EXP. 6/30/95

U.S. Department of Education
Student Financial
Assistance Programs

Section A: Yourself

1–3. Your name — **1.** Last _____ **2.** First _____ **3.** M.I. ___

Your title (optional) — Mr. ☐ 1 Miss, Ms., or Mrs. ☐ 2

4–7. Your permanent mailing address *(All mail will be sent to this address. See Instructions, page 2 for state/country abbreviations.)*

4. Number and street (Include apt. no.) _____

5. City _____ **6.** State ___ **7.** ZIP code _____

8. Your permanent home telephone number — Area code _____

9. Your state of legal residence — State ___

10. Date you became a legal resident of the state in question 9 *(See Instructions, page 2.)* — Month ___ Day ___ Year ___

11–12. Your driver's license number *(Include the state abbreviation. If you don't have a license, leave this question blank.)*

State ___ _____

13. Your social security number *(Don't leave blank. See Instructions, page 3.)* _____

14. Your date of birth — Month ___ Day ___ Year ___

15–16. Are you a U.S. citizen? *(See Instructions, page 3.)*

Yes, I am a U.S. citizen. ☐ 1

No, but I am an eligible noncitizen. ☐ 2

A _____

No, neither of the above. ☐ 3

17. As of **today**, are you married? *(Check only one box.)*

I am not married. (I am single, widowed, or divorced.) ☐ 1

I am married. ☐ 2

I am separated from my spouse. ☐ 3

18. Date you were married, widowed, separated, or divorced. If divorced, use earliest date of divorce or separation. — Month ___ Year ___

19. Will you have your first bachelor's degree before July 1, 1994? Yes ☐ 1 No ☐ 2

Section B: Your Plans

20. Your year in college during the 1994-95 school year *(Check only one box.)*

1st ☐ 1 3rd ☐ 3 5th year or more undergraduate ☐ 5

2nd ☐ 2 4th ☐ 4 graduate ☐ 6

21–24. Your expected enrollment status for the 1994-95 school year *(See Instructions, page 3.)*

School term	Full time	3/4 time	1/2 time	Less than 1/2 time	Not enrolled
21. Summer term '94	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
22. Fall sem./quarter '94	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
23. Winter quarter '94-'95	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
24. Spring sem./quarter '95	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5

25–26. Your degree/certificate and course of study *(See Instructions, page 3.)*

25. Degree/certificate ___

26. Course of study ___

27. Date you expect to complete your degree/certificate — Month ___ Day ___ Year ___

28–30. In addition to grants, what other types of financial aid are you (and your parents) interested in? *(Check one or more boxes.)*

- Work-study ☐ 1
- Student loans ☐ 2
- Parent loans for students (Federal PLUS) ☐ 3

31. If you are (or were) in college, do you plan to attend **that same college** in 1994-95?

Yes ☐ 1 No ☐ 2

32. For how many dependent children will you pay child care expenses in 1994-95? ___

33–34. Veterans education benefits you expect to receive from July 1, 1994 through June 30, 1995

33. Amount per month $_____.00

34. Number of months ___

Section C: Education Background

35–36. Date that you (the student) received, or will receive, your high school diploma, either—

- by graduating from high school — Month ☐☐ Year ☐☐
  OR
- by earning a GED — Month ☐☐ Year ☐☐

*(Enter **one** date. Leave blank if the question does not apply to you.)*

37–38. Highest grade level completed by your father and your mother *(Check one box for each parent. See Instructions, page 4.)*

	37. Father	38. Mother
elementary school (K–8)	☐ 1	☐ 1
high school (9–12)	☐ 2	☐ 2
college or beyond	☐ 3	☐ 3
unknown	☐ 4	☐ 4

Section D: Federal Family Education Loan (FFEL) Program Information

(Leave this section blank if you have never received a Federal Stafford Loan, a guaranteed student loan [GSL], or a Federal Insured Student Loan [FISL].)

39. If you borrowed under the Federal Stafford, Federal SLS, Federal PLUS, or Federal Consolidation Loan program and there is an outstanding balance on your loan(s), enter the date of your oldest outstanding loan.

Month ☐☐ Year ☐☐

40–41. Write in the total outstanding balance(s) on your Federal Stafford and Federal SLS Loans.

	Amount owed
40. Federal Stafford Loan(s)	$_____.00
41. Federal SLS Loan(s)	$_____.00

42. Check one box to indicate the interest rate you have on your outstanding Federal Stafford Loan.

7% ☐ 1 9% ☐ 3 Variable ☐ 5
8% ☐ 2 8%/10% ☐ 4

43–44. Do you currently have a Federal PLUS Loan or a Consolidation Loan?

	Yes	No
43. Federal PLUS Loan	☐ 1	☐ 2
44. Federal Consolidation Loan	☐ 1	☐ 2

Section E: Student Status

	Yes	No
45. Were you born **before** January 1, 1971?	☐ 1	☐ 2
46. Are you a veteran of the U.S. Armed Forces?	☐ 1	☐ 2
47. Will you be a graduate or professional student in 1994-95?	☐ 1	☐ 2
48. Are you married?	☐ 1	☐ 2
49. Are you a ward of the court or are both your parents dead?	☐ 1	☐ 2
50. Do you have legal dependents *(other than a spouse)* that fit the definition in Instructions, page 4?	☐ 1	☐ 2

If you answered "Yes" to any question in Section E, go to Section F and fill out the GRAY and the WHITE areas on the rest of the form.

If you answered "No" to every question in Section E, go to Section F, and fill out the BLUE and the WHITE areas on the rest of the form.

Section F: Household Information

If you are filling out the GRAY and WHITE areas, answer questions 51 and 52, and go to Section G.

If you are filling out the BLUE and WHITE areas, skip questions 51 and 52. Answer questions 53 through 57 about your parents, and then go on to Section G.

STUDENT (& SPOUSE)

51. Number of family members in 1994-95 (Include yourself and your spouse. Include your children and other people only if they meet the definition in Instructions, page 5.) ☐☐

52. Number of college students in 1994-95 (Of the number in 51, how many will be in college at least half-time for at least one term? Include yourself. *See Instructions, page 5.*) ☐

PARENTS

53. Your parents' current marital status:

single ☐ 1 separated ☐ 3 widowed ☐
married ☐ 2 divorced ☐ 4

54. Your parents' state of legal residence ☐☐

55. Date your parent(s) became legal resident(s) of the state in question 54 *(See Instructions, page 5.)* Month ☐☐ Day ☐☐ Year ☐☐

56. Number of family members in 1994-95 (Include yourself and your parents. Include your parents' other children and other people only if they meet the definition in Instructions, page 5.) ☐☐

57. Number of college students in 1994-95 (Of the number in 56, how many will be in college at least half-time for at least one term? Include yourself. *See Instructions, page 6.*) ☐

Section G: 1993 Income, Earnings, and Benefits

Everyone must fill out the Student (& Spouse) column.

*(You **must** see the instructions for income and taxes that you should exclude from questions in this section.)*

	STUDENT (& SPOUSE)	PARENTS
58./69. The following 1993 U.S. income tax figures are from: *(Check only one box.)*		
a completed 1993 IRS Form 1040A or 1040EZ	(Go to 59) ☐ 1	(Go to 70) ☐
a completed 1993 IRS Form 1040	(Go to 59) ☐ 2	(Go to 70) ☐
an estimated 1993 IRS Form 1040A or 1040EZ	(Go to 59) ☐ 3	(Go to 70) ☐
an estimated 1993 IRS Form 1040	(Go to 59) ☐ 4	(Go to 70) ☐
A U.S. income tax return will not be filed.	(Skip to 62) ☐ 5	(Skip to 73) ☐
1993 total number of exemptions (Form 1040-line 6e, or 1040A-line 6e; 1040EZ filers— *see Instructions, pages 6 & 7.*)	**59.**	**70.**
1993 Adjusted Gross Income (AGI-Form 1040-line 31, 1040A-line 16, or 1040EZ-line 4, or *see Instructions, pages 6 & 7.*)	**60.** $_____.00	**71.** $_____.00
1993 U.S. income tax paid (Form 1040-line 46, 1040A-line 25, or 1040EZ-line 8)	**61.** $_____.00	**72.** $_____.00
1993 Income earned from work — Student	**62.** $_____.00	Father **73.** $_____.00
1993 Income earned from work — Spouse	**63.** $_____.00	Mother **74.** $_____.00
1993 Untaxed income and benefits (yearly totals only)		
Social security benefits	**64.** $_____.00	**75.** $_____.00
Aid to Families with Dependent Children (AFDC or ADC)	**65.** $_____.00	**76.** $_____.00
Child support received for all children	**66.** $_____.00	**77.** $_____.00
Other untaxed income and benefits from Worksheet #2, page 11	**67.** $_____.00	**78.** $_____.00
1993 Title IV Income Exclusions from Worksheet #3, page 12	**68.** $_____.00	**79.** $_____.00

TAX FILERS ONLY

Section H: Information Release

Housing codes		
	1 = on-campus	3 = with parent(s)
	2 = off-campus	4 = with relative(s) other than parent(s)

80-91. What college(s) do you plan to attend in 1994-95?
*(**Note:** By answering this question, you are giving permission to send your application data to the college(s) you list below.)*

	College name	Address (or code, see Instructions, page 7)	City	State	Housing codes
80.					**81.**
82.					**83.**
84.					**85.**
86.					**87.**
88.					**89.**
90.					**91.**

92. Do you give the U.S. Department of Education permission to send information from this form to the financial aid agencies in your state as well as to the state agencies of all of the colleges listed above? Yes ☐ 1 No ☐ 2

(States and colleges may require additional information and may have their own deadlines for applying for financial aid. Be sure to see "Deadlines for State Student Aid" in Instructions, page 10.)

93. Check this box if you give Selective Service permission to register you. *(See Instructions, page 8.)* ☐ 1

94–95. Read and Sign

Certification: All of the information provided by me or any other person on this form and in Section I, if completed, is true and complete to the best of my knowledge. I understand that this application is being filed jointly by all signatories. If asked by an authorized official, I agree to give proof of the information that I have given on this form and in Section I, if completed. I realize that this proof may include a copy of my U.S., state, or local income tax return. I also realize that if I do not give proof when asked, the student may be denied aid.

94. Everyone giving information on this form must sign below. If you do not sign this form, it will be returned unprocessed.

1 Student _____

2 Student's spouse _____

3 Father/Stepfather _____

4 Mother/Stepmother _____

95. Date completed ____ Month ____ Day Year 1994 ☐ 1995 ☐

School Use Only

Dependency override: enter I ☐

Title IV Inst. Number ____

FAA signature: _____

MDE Use Only *(Do not write in this box.)* Spec. handle ☐ No. copies ☐

If you (and your family) have unusual circumstances, such as:

- tuition expenses at an elementary or secondary school,
- unusual medical or dental expenses, not covered by insurance,
- a family member who is a dislocated worker, or
- other unusual circumstances that might affect your eligibility for student financial aid, you should—

Check with the financial aid office at your college.

Preparer's Use Only

(For preparers other than student and parents. Student and parents, sign above. See Instructions, page 8.)

Preparer's name

_____
Last First M.I.

Firm's name and address (or preparer's, if self-employed)

_____
Firm name

_____
Number and street (Include apt. no.)

_____
City State ZIP code

96. Employer identification number (EIN) ____

97. Preparer's social security number ____

Certification:
All of the information on this form and in Section I, if completed, is true and complete to the best of my knowledge.

_____
98. Preparer's signature **Date**

ATTENTION

If you are filling out the GRAY and WHITE areas, go to Instructions, page 8, and complete WORKSHEET A. This will tell you whether you must fill out Section I. If you meet certain tax filing and income conditions, you may skip Section I.

If you are filling out the BLUE and WHITE areas, go to Instructions, page 8, and complete WORKSHEET B. This will tell you whether you must fill out Section I. If you meet certain tax filing and income conditions, you may skip Section I.

Section I: Asset Information

	STUDENT (& SPOUSE)	PARENTS
		106. Age of your older parent ____
Cash, savings, and checking accounts	**99.** $_____.00	**107.** $_____.00
Other real estate and investments value *(Don't include the home.)*	**100.** $_____.00	**108.** $_____.00
Other real estate and investments debt *(Don't include the home.)*	**101.** $_____.00	**109.** $_____.00
Business value	**102.** $_____.00	**110.** $_____.00
Business debt	**103.** $_____.00	**111.** $_____.00
Farm value *(See Instructions, pages 8 & 9.)*	**104.** $_____.00	**112.** $_____.00
Farm debt *(See Instructions, pages 8 & 9.)*	**105.** $_____.00	**113.** $_____.00

MAKE SURE THAT YOU HAVE COMPLETED, DATED, AND SIGNED THE APPLICATION.
Mail the application to: Federal Student Aid Programs, P.O. Box 4016, Iowa City, IA 52243-4016.

SECTION A "YOURSELF"

Purpose: *The FAFSA collects identifying information that is used to track the student (name, phone number, address, Social Security Number, etc.), and other information that affects the student's basic eligibility. For instance, Section A includes a question about citizenship status because the student must be a U.S. citizen or eligible noncitizen to receive aid from the Department's programs. Similarly, a student who has a bachelor's degree is ineligible to receive a Federal Pell Grant or a Federal SEOG.*

The student must give a **home mailing address** (rather than a school or office address). However, students who are incarcerated should use a school address. The *school* must send applications from incarcerated students to a special P.O. Box. (Students can't just send in a SAR with a school address.) The student's **state of legal residence** identifies the agency to which information will be sent if the student has authorized such a release in Section H of the form. The student's state is also used to determine the appropriate state and other tax allowance in the EFC calculation. For a dependent student, the state of legal residence is usually the state in which his or her parents live.

If the student fills out a FAFSA and omits his or her **Social Security Number**, it will not be processed. If the student does not have a Social Security Number, or cannot find it, he or she must contact his or her local Social Security office.

A student's marital status affects the treatment of his or her income and assets in the EFC calculation. Marital status cannot be projected—the student must report his or her marital status on the date of application.

The FAFSA asks if the student will have his or her first **bachelor's degree before July 1, 1994** because eligibility for the Federal Pell Grant and Federal SEOG programs is restricted to undergraduate students. If the student answers "yes" to this question, a message saying a bachelor's degree has been received will be printed at the top of page one of the SAR.

"YOUR PLANS"

Purpose: *Section B collects information on the student's enrollment status for the 1994-95 award year and the student's intended course of study. The amount of veterans education benefits are also collected in this section. The law requires that educational benefits offered by the U.S. Department of Veterans Affairs must be treated as a resource for the campus-based programs, and as estimated financial assistance when certifying a Federal Family Education Loan application. Because they are student financial aid, these benefits are not used in the EFC calculation. However, veterans benefits are collected in this section for the school to use when packaging aid.*

If the applicant receives veterans education benefits, the applicant must report the amount of monthly benefits that he or she expects to receive during the school year (from July 1, 1994 through June 30, 1995). Included in this section are benefits from Selective Reserve Pay (Montgomery GI Bill—Chapter 106), New GI Bill (Montgomery GI Bill—Chapter 30), Vietnam Veterans Educational Assistance Program (VEAP) (Chapter 32), Vocational Rehabilitation (Chapter 31), REPS (Restored Entitlement Benefits for Survivors—Section 156), Educational Assistance Program (Chapter 107), and Dependents Educational Assistance Program (Chapter 35).

"EDUCATION BACKGROUND"

Purpose: *This section collects information on the educational background of the student and his or her parents. State agencies use this information to award grants and scholarships.*

Questions 35-36 ask whether the student has a high school diploma or a GED. Questions 37-38 ask for the highest grade level completed by the student's father and mother. Father and mother in these questions mean the student's birth parents, adoptive parents, or legal guardian.

"FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM INFORMATION"

Purpose: *This section collects information that may be used to assist in processing students who are applying for Federal Family Education Loans. State agencies and guaranty agencies can apply to the U.S. Department of Education to receive this information for students from their state. In addition, the CPS will be checking the answers to these questions for consistency with the rest of the information on the application. Answering the questions in this section does not commit the student to accept a student loan nor does it guarantee that the student is eligible for a student loan.*

Information about Federal Stafford Loans, Federal SLS Loans, Federal PLUS Loans, and Federal Consolidation Loans is included in this section. If the student has attended more than one college, he or she should include all student loans received at each college. If the student received more than one loan during a school year, he or she should be sure to include the total amount borrowed for that year. If the student has made any payments, he or she should subtract the total principal repaid from the amount borrowed. If the student has not received a student loan, or if he or she has repaid all of the student loan(s), the student should enter "0." (Note: Federal SLS Loans was included on the application, and the application went to print before the Department knew Federal SLS Loans would be repealed.)

"STUDENT STATUS"

Purpose: *The questions in Section E determine whether the student is considered a dependent or an independent student under the law. This is often the most important section of the FAFSA for purposes of need analysis. A student who files as an independent student does not report parental information on the FAFSA. The financial aid administrator may override the student's dependency status in individual cases if he or she decides that the student should be considered independent, regardless of the answers to the questions in Section E.*

Independent Student Definition

A student is automatically considered independent if he or she meets at least one of the following criteria:

- The student was born before January 1, 1971;
- The student is a veteran of the U. S. Armed Forces;
- The student is a graduate or professional student* in the 1994-95 award year;
- The student is legally married;
- Both of the student's parents are dead, or the student is a ward of the court, and,
- The student has legal dependents other than a spouse.

The instructions explain each of these criteria in greater detail. A student meeting one of these criteria is considered independent even if the student is still living with his or her parents. However, note that an incarcerated student is not considered a "ward of the court" solely based on incarceration.

---

*A graduate or professional student is one who 1) is enrolled in a program or course of study above the baccalaureate level at a school or is enrolled in a program leading to a first professional degree 2) has completed at least three years of full-time study either before entering the program or as part of the program and 3) is not receiving student financial assistance as an undergraduate student during this time.

Definition of "Parent"

The term "parent" is not restricted to the student's natural parents. There are several instances in which a person other than the student's natural parents acts as the student's parent. If this person is considered a parent to the student, then the parental questions on the application must be answered as they apply to that person, in the same ways they would be answered for a natural parent.

Adoptive Parent. Treated in the same manner as natural parents.

Foster Parent. Is not treated as a parent of the student.

Legal Guardian. Is treated in the same manner as a natural parent, if he or she has been appointed by the court and has been specifically required by the court to use his or her financial resources to support the student. This legal relationship must continue after June 30, 1995. If the student is living with his or her grandparents, the income of the grandparents cannot be reported on the FAFSA unless the grandparents are court-appointed legal guardians required by the court to use their resources to support the student, or unless they have adopted the student.

Stepparent. The stepparent's information is reported if the stepparent is married to the student's natural parent (as of the date of application) whose information will be reported on the application, or if the student has been legally adopted by the stepparent. If the natural parent has died and the stepparent survives, then the student is independent (assuming the student is not dependent on the surviving natural parent), unless the stepparent legally adopted the student. Note that the stepparent's income information from a prior year would be reported even if the parent and stepparent were not married until the next year.

In cases of death, separation, or divorce, the student must answer the parental questions on the FAFSA as they apply to the surviving or responsible parent.

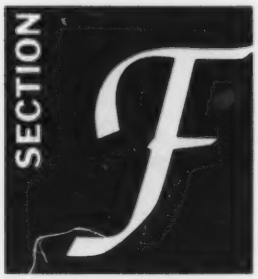
Death of Parent. If one, but not both, of the student's parents has died, the student would answer the parental questions based on the surviving parent, and would not report any financial information for the deceased parent on the FAFSA. If both the student's parents are dead when the student fills out the FAFSA, the student must answer "yes" to Question 49, making the student independent. If the last surviving parent dies after the student fills out the application, the student must file a Correction FAFSA.

Divorce of Parents. When the student's parents have divorced or separated, only one parent's financial information is reported on the application. The rules for determining the "responsible parent," based on residency and support, are included in the application instructions.

Separation of Parents. If a separation has occurred, the same rules as for a divorce should be used to determine which parent's information must be reported. The separation need not be a legal separation — the student's parents may consider themselves separated when one of the parents has left the household for an indefinite period of time and no longer makes a substantial contribution to the finances of the household. However, if the parents still live in the same house, they would not be considered to be separated, and information for both parents must be reported.

Common Law Marriage. The financial aid administrator should check with the appropriate state agency concerning common law marriages. If the student's parents are living together and have not been formally married, but meet the criteria in their state for a common-law marriage, they should report their status as married on the application. If the state does not consider the situation to be a common-law marriage, then the parents should file as separated.

After Section E, the form divides into parental information and student/spouse information. An independent student is not required to fill out parental information although health profession programs may require the information.



"HOUSEHOLD INFORMATION"

Purpose: *The number of family members reported in Section F determines the amount of the family size offset and maintenance allowance that will be subtracted from the family's income to account for basic living expenses. In addition, if more than one family member is in college at the same time, the contribution the family is expected to make for each student is reduced. Family size and marital status also affect the treatment of income and assets in the EFC calculation.*

Household Size

The following persons may be included in the household size of the *dependent* student:

1. The *student*

2. The *student's parent(s),* excluding a parent not living in the household as a result of death, separation, or divorce

3. The *student's siblings,* if they received or will receive more than half of their support* from the student's parent(s) between July 1, 1994 and June 30, 1995

4. The *student's children,* if they received or will receive more than half of their support from the student's parent(s) between July 1, 1994 and June 30, 1995

5. The student's parent's *unborn child* and/or the student's unborn child, if that child will be born before or during the award year (July 1, 1994 through June 30, 1995) and the student's parents will provide more than half of the child's support from the projected date of birth until the end of the award year

* If a sibling would be considered dependent for the purposes of applying for federal student aid, he or she can be included in household size, regardless of whether more than half of his or her support is provided by the student's parents. (Refer to the instructions to the FAFSA for additional information on household size.)

6. *Other persons,* if they live with and receive more than one-half of their support from the student's parent(s) at the time of application and will continue to receive that support for the entire 1994-95 award year (July 1, 1994 through June 30, 1995)

The following persons may be included in the household size of the *independent* student:

1. The *student*

2. The *student's spouse,* excluding a spouse not living in the household as a result of death, separation, or divorce

3. The *student's dependent children,* if they received or will receive more than half of their support from the student's household between July 1, 1994 and June 30, 1995

4. The *student's unborn child,* if that child will be born before or during the award year and the student's household will provide more than half of the child's support from the projected date of birth to the end of the award year

5. *Other persons,* if they live with the student and receive more than one-half of their support from the student's household at the time of application and will continue to receive that support for the entire 1994-95 award year (July 1, 1994 through June 30, 1995)

For the purpose of including children in household size, the "support" test is used (rather than residency) because there may be situations in which a parent supports a child who does not live with the parent, especially in cases where the parent is divorced or separated. In such cases, the parent who provides more than half of the child's support may claim the child in household size. If the parent receives benefits (such as Social Security or AFDC payments) in the child's name, these benefits must be counted as parental support to the child.

Financial information for a stepparent should be reported on the form, and the stepparent should be included in household size.

If a student, spouse or parent is pregnant at the time an application is filed, the expected child may be included in household size. If there is a medical determination that twins are expected, both expected children can be included.

Number in College

The number in college includes all those in the household who are attending a postsecondary educational institution for at least six credit hours in at least one term, or at least 12 clock hours per week. The student should always include himself or herself even if the student will be enrolled for less than half time. In addition, the student must be working towards a degree or certificate leading to a recognized education credential at a college that is eligible to participate in any of the federal student aid programs.

"1993 INCOME, EARNINGS, AND BENEFITS"

Purpose: *The EFC calculation compares the family's income from this section to the family's household size and other expenses, to determine if the family has any discretionary income. If the family does have discretionary income, only a portion of that income is expected to be contributed towards the student's educational costs. Note that the "income earned from work" items are used to determine if the student is entitled to an employment expense offset.*

Section G collects information on the *base year income* of the parents (if the student is dependent) and of the student and spouse, as well as income tax paid, tax filing status, and the number of exemptions claimed. The base year for applicants in 1994-95 is the 1993 tax year. Estimated base year income for the tax year may be used if the family has not yet filed its 1993 tax return. However, if it turns out that the estimated information is incorrect, the student must make corrections on the SAR when the tax return is filed.

Puerto Rican Tax Return

Puerto Rican Form 481 or the short form (Forma Corta), is considered to be an IRS Form 1040A or 1040EZ for the purpose of completing the FAFSA. Puerto Rican Form 482 or the long form (Forma Larga) is considered to be an IRS Form 1040 for the purpose of completing the FAFSA.

Foreign Income

Income earned in a foreign country is treated in the same way as income earned in the United States, if taxes were paid to the central government of that country. The student should report the value of the foreign income in U.S. dollars (using the exchange rate at the time of application), on the "adjusted gross income " line item and the "income earned from work" line item.

The student should also include the value of taxes paid to the foreign government on the "U.S. income tax paid" line item. (If the income earned in the foreign country was not taxed by that country, it should be reported as untaxed income.)

Form 2555. In many cases, if the student or parent files a return with the Internal Revenue Service for a year in which foreign income was earned, a portion of the foreign income can be excluded, on a Form 2555, for tax purposes. The figure reported on Line 43 of the Form 2555 should be reported as "untaxed income" on the FAFSA. The final total for the Form

2555 must not be reported as untaxed income, because it contains other exclusions.

Income earned from work

The line items for income earned from work for the father and mother are used to calculate the employment expense offset. They are only used in the income assessment if no Adjusted Gross Income was reported on the application.

Untaxed income and benefits

Under "untaxed income and benefits," separate line items are provided for Social Security benefits, AFDC payments, and child support because these are the most common forms of untaxed income and benefits. Note that if Social Security benefits are paid to the parents on behalf of the student (because the student was under 18 years old at the time), those benefits are reported as the parent's income, not the student's income. If the Social Security check was made payable to the student, it would be reported as the student's income.

Students must be sure that Line 67 or 78, the "other untaxed income and benefits," does not include any of the Social Security or AFDC benefits already reported in previous line items.

The line items for "other untaxed income and benefits" are used to report any benefits received by the student and parents that are not reported elsewhere on the form. Any cash support received from a family member or third party should also be reported as untaxed income. In some cases, the value of housing or payments on behalf of the student must be reported.

Income exclusions on IRS form. Two examples are the untaxed portion of capital gains, and the interest and dividend exclusion. Both must be reported on the application for financial aid purposes, because they represent additional financial resources available to the family, even though they are not taxed as a matter of public policy.

Earned Income Credit. The "Payments" section on the IRS forms includes an earned income credit, which is a potential source of income that must be reported on the application.

IRA/Keogh, pensions and insurance settlements. If the family is eligible to exclude its payments to an IRA/Keogh from taxation, those payments are reported as untaxed income. If payments to other pension funds are not excluded for tax purposes, they would already be included in the "adjusted gross income" figure. A student should report money paid into tax-sheltered or deferred annuities (paid directly or withheld from earnings). In addition, any payments from a pension, annuity, or insurance settlement must be reported on the application, either as taxable income, or untaxed income, as appropriate. The full amount of the distribution must be reported, whether it was a lump-sum or an annual

distribution. The only exception to reporting pension distributions as income is when the pension distribution is "rolled over" to another retirement plan in the same tax year.

Benefits received on behalf of dependents. Any benefits received by the head of household on behalf of persons included in household size (Section F) must be reported as income to the head of the household. However, if members of the household, such as an aunt or grandmother, receive benefits in their own names, those benefits are not reported as income of the head of household. Remember that siblings of the student and "other persons" may not be included in household size if they receive in their own name more than half of their support through such benefits.

Underpayments and overpayments of benefits. The actual amount of benefits received for the year in question must be reported, even if that amount represents an underpayment or an overpayment that may be compensated for in the next year. This parallels the IRS treatment of overpayments of taxable income (such as salary) which must be reported and is taxed as any other income. However, if the underpayment or overpayment was adjusted in the same year, only the net amount received during that year would be reported.

Cash support to student. Any cash support that the student receives from a friend or a relative (other than the parent, if the student is dependent) must be reported as untaxed income. Cash support includes payments made on behalf of the student. For instance, if the student's uncle pays the student's rent or utility bill, the student must report those payments as untaxed income on the application.

Housing allowances. Housing allowances provided to the parents or student must be reported. This applies to compensation that some people, particularly clergy and military personnel, receive for their jobs. If the parent or student receives money to pay for rent, he or she should list the amount of money received. If the parent receives use of a house or apartment, he or she should report the amount that he or she would pay to rent a comparable house or apartment (market value). Similarly, if the student received free room and board in the base year for a job that was not awarded as student financial aid, the student must report the value of the room and board as untaxed income.

Excluded forms of income

There are some cases in which income and benefits received by the student or parent should not be reported on the application:

Student financial assistance. With the exception of veterans educational and compensatory benefits, student financial assistance is not reported on the application, because such assistance does not affect the Federal Pell Grant, and is already taken into account as a resource for the campus-based programs and as estimated financial assistance for Stafford. (NOTE: Awards received by participants in the President's pilot national service program in the summer of 1993 should not be reported on the application.)

Work-study earnings. Ordinarily, earnings from work are reported as income on the financial aid application. However, if those earnings are part of a financial aid package and are intended as financial assistance to the student, they are not reported as income.

Subsidized housing. Rent subsidies paid by governmental and charitable organizations for low-income housing are not reported as untaxed income.

Food Stamps. Food stamps are not counted as income, but are regarded as "in-kind" assistance. Similarly, benefits from the following programs are not counted as untaxed income: Women, Infants, and Children Program, Food Distribution Program, Commodity Supplemental Food Program, National School Lunch and School Breakfast Programs, Summer Food Service Program, and Special Milk Program for Children.

Child care benefits. The worth of day care services provided by the Child Care Program and the Social Services Block Grant Programs should not be reported because they are a form of in-kind income. (NOTE: The Department of Health and Human Services provides reimbursement for child care expenses incurred by welfare recipients through AFDC. These benefits **are** reported on the application because the individual bills the State for the amount of child care costs incurred while on welfare, and is reimbursed on that basis.)

Per capita payments to Native Americans. Per capita payments should not be reported unless they exceed $2,000. These are payments made by the tribal government. Thus, if an individual payment was $1,500, it would not be reported on an application. However, if the payment was $2,500, only the amount that exceeds $2,000 would be reported as untaxed income ($500).

Heating/fuel assistance. Exclude from consideration as income or resources any payments or allowances under the Low Income Home Energy Assistance Act. (NOTE: Payments under the Low Income Home Energy Assistance [LIHEA] Act are made through state programs that may have different names.)

6 Questions About Reporting Income

These are some of the most common questions about reporting income that are received at the Department's toll-free Federal Student Aid Information Center.

"Why do you ask for income information from the year before the student goes to school?"

A: Studies have consistently shown that verifiable income tax information from the base year (1993 for the 1994-95 award year) is more accurate than projected (1994) information when estimating how much the family will be able to contribute during the coming school year.

"What should the student do if the family has special circumstances that aren't mentioned in the application?"

A: Talk to the financial aid administrator. If the family's circumstances have changed from the base year (1993) due to loss of employment, loss of benefits, or death or divorce, the financial aid administrator may decide to adjust data elements used to calculate the student's EFC, which may increase the student's eligibility for student aid.

"If the student lives with an aunt or grandparent, should that relative's income be reported instead of parental information ?"

A: Only if the relative is the student's legal guardian, as defined on the application. The student can only be considered to be dependent on his or her parent(s) or guardian, and only parental/guardian information may be reported on the application. Any cash support given by relatives must be reported as untaxed income, but in-kind support (such as food and housing) from relatives is not reported.

"What if the student lives with a girlfriend or boyfriend who pays the rent?"

A: The student should not report any information for a friend or roommate unless they are actually married or are considered to have a common-law marriage under state law. The student must report any cash support given by the friend as untaxed income, but in-kind support (such as food) from the friend is not reported. Note that the student would have to report the rent paid by the roommate as income if the student's name was on the lease, and the roommate was paying the rent on the student's behalf.

"When is work considered student aid?"

A: Generally, grants and scholarships are not considered to be taxed or untaxed income, and are not reported on the application. (The only exception is veterans educational benefits.) If the student has an ROTC scholarship, a Betty Crocker Scholarship, or any other kind of grant or scholarship, that scholarship or grant will be considered as an available resource by the financial aid office when *packaging* aid, but will not be reported as income on the application.

In some cases, the student may have a job that was awarded as financial aid. The income from that job should not be reported on the application. If the student's adjusted gross income (AGI) and taxes paid include income earned through a student financial aid program, that income must be subtracted from the AGI and taxes paid before they are reported on the application.

For income to be excluded from the financial aid application, the job has to have been awarded to the student based on financial need. Thus, if the financial aid office gave the student a Stay-In-School job or a job as a Resident Advisor as a part of the student's aid package, the income from that job would not be reported on the application. On the other hand, if the student got a job that was not awarded as part of the financial aid package, the income from that job would be reported on the application.

"What's the difference between cash support and in-kind support?"

A: Cash support is support given either in the form of money, or money that is paid on behalf of the student. Cash support must be reported as untaxed income on the application. Thus, if a friend or relative gives the student grocery money, it must be reported as untaxed income. If the friend or relative pays the electric bill for the student, or part of the student's rent, those payments must also be reported.

In-kind support usually takes the form of free food or housing that is provided to the family, and is usually not reported on the application. So if the student is living rent-free with a friend or relative, the rental value is not reported as untaxed income unless the student's name is on the lease.

However, the application does require a student to report the value of housing that is provided to the family as compensation for a job. The most common example is free housing or a housing allowance provided to military personnel or clergy.

"INFORMATION RELEASE"

Purpose: *This section permits the student to list six colleges that he or she may attend. The Department will send the student's information to all the colleges listed in Section H. Students* ***should not*** *write in the name of a college if they don't want it to receive their application information. The student also must select the housing code that best describes the type of housing he or she expects to live in if he or she attends that particular school. When the student answers yes to Question #92 , he or she gives the Department permission to send his or her application data to the colleges listed, the financial aid agencies in the student's state of residence, as well as to the appropriate state agencies for all of the colleges listed.*

For students who are applying to more than six schools, there are several ways to make sure all the schools receive their data.

1. When the student submits the FAFSA, he or she can request up to eight additional copies of the SAR by attaching a letter to that effect to the form. (Any other information the student provides in a letter will not be processed.) The student can also photocopy the SAR or request duplicates. The student can then send copies of the SAR to all the schools. (Note that a photocopy of the SAR cannot serve as a final documentation of eligibility.) Schools not listed on the SAR will only receive the data when the student gives them a copy of the SAR; they will not receive the data directly from the CPS.

2. The student may list six schools on the application, wait for the SAR, and then correct the SAR by replacing some or all of the original six schools. The student may also send a letter to the FAFSA processor requesting a change of schools; in this case, all six schools from the original application will be replaced by the schools the student lists in the letter.

3. If a school that is not listed on the SAR participates in EDE, that school may use the student's PIN number (printed on the SAR) to get the student's data electronically. That school would then replace one of the six schools listed in the original application.

The student should not send a letter listing extra schools to the FAFSA processor with the application or send applications listing two different sets of schools to different FAFSA processors.

The CPS will only send data to six schools at one time for one student. For example, if the student originally listed six schools on the application, and then replaced all six with new schools by correcting the SAR, only the second six schools would get data from this correction. Furthermore, if the student then corrected the new SAR, only the second set of schools would get the corrected data. The first six schools would not receive the corrected data.

Although parental information must be provided for a dependent student, a high school counselor or a financial aid administrator may sign the application in place of the parent(s) if:

- the parent(s) is not currently in the United States;
- the current address of the parents is not known; or
- the parent(s) has been determined physically or mentally incapable of providing a signature.

The signature of a counselor or aid administrator serves as a mechanism to get the application through the processing system. The counselor or aid administrator must provide his or her title in parentheses next to his or her signature, and briefly state the reason (only one reason is needed) why he or she is signing for the parent(s). Also, if both parents are unable to sign the application, the counselor or aid administrator need only sign once in place of the parents. The counselor or aid administrator assures a minimum level of credibility in the data submitted. However, the counselor or aid administrator does not assume any responsibility or liability in this process. If the financial aid office finds any inaccuracies in the information reported, the student would be directed to send the SAR through the normal corrections process.

CERTIFICATION

"PREPARER'S USE ONLY"

Purpose: *The Department will use this information to monitor the effect of application preparation services relative to the general applicant population.*

The law requires that if anyone other than the student, the student's spouse, or the student's parents prepared the application, then the preparer must write in his or her name, Social Security Number (the preparer's SSN will not be printed on the student's SAR), the company name (if applicable), the company address, and the company's Employer Identification Number (EIN) as assigned by the Internal Revenue Service. The EIN number is also embedded in the twelve-digit entity number that the Department assigns to schools when they sign a Program Participation Agreement.

High school counselors, financial aid administrators, and other persons who help students with their applications by actually filling out line items on the form, or dictating responses to items on the form, *are* considered preparers. These preparers must complete this section even if they are not paid for their services.

WORKSHEET

"SIMPLIFIED NEEDS TEST"

Purpose: *The instructions to the FAFSA include a worksheet to determine if the student needs to fill out the information in Section I. The primary purpose of the "simplified needs test" is to shorten the application process for students from low-income families.*

Basically, the student does not have to fill out the asset information in Section I if the family's income was $49,999 or less, and the family was not required to use the IRS Form 1040 to file taxes (i.e., the family did not file a return, or used the 1040A or 1040EZ). A family that used the 1040 as an income tax return because it was not eligible to use a 1040A or 1040EZ cannot qualify for the simplified needs test. However, if the family used a tax preparer's standard form 1040 but was eligible to use the 1040A or 1040E, they may qualify for the simplified needs test depending on their income.

Note that Federal Work-Study earnings must be excluded from the AGI when determining if the family's income exceeded $49,999—student financial aid is excluded from income on the worksheet, as it is elsewhere on the application.

The simplified needs test will usually increase a student's eligibility because it does not include family assets.

SECTION I "ASSET INFORMATION"

Purpose: *The purpose of Section I is to determine if the family's assets are substantial enough to support a contribution towards the student's cost of education. Note that only the net asset value is counted in the need analysis. Any debts against these assets are reported in this section, and are subtracted from the value of the assets when the EFC is calculated. After the net asset value has been determined, a substantial asset reserve is usually subtracted from the parent's assets (students generally do not receive an asset reserve in the EFC formula unless they are married or have dependents). Only the amount of the assets that exceeds the reserve is expected to be available for meeting educational expenses, and only a portion of those available asssets will be assessed in the need analysis formula.*

To make the application process easier, a family does not have to report assets if it qualifies for the Simplified Needs Test.

An asset is property owned by the family that has an exchange value. Possessions such as a car, a stereo, or clothes or furnitureare not reported as assets on the financial aid application.

Note that the family's principal place of residence is no longer reported as an asset. This includes a family farm if the family claimed on Schedule F of the tax return that it "materially participated in the farm's operation."

OWNERSHIP OF AN ASSET

There are several situations where the ownership of an asset may be divided or contested:

Part ownership of asset. If the parent or student only has part ownership of an asset, that part should be reported. The general rule is that the value of an asset should be divided by the number of people who share ownership, unless the share of the asset is based on the amount invested, or the terms of the arrangement specify some other means of division.

Contested ownership. Assets should not be reported if the ownership is being contested. For instance, if the parents are separated and they may not sell or borrow against jointly owned property that is being contested, the responsible parent would not list any value for the property or debts against it. However, if the ownership of the property is not being contested, the property would be reported as an asset. If ownership of an asset is resolved after the initial application is filed, the student is not required to update this information.

Lien against asset. If there is a lien or imminent foreclosure against the asset, the asset would still be reported until the party holding the lien or making the foreclosure has completed legal action to take possession of the asset.

Other Real Estate and Investments Value

"Investments" include a wide range of investments, including trust funds (see next heading), money market funds, certificates of deposit, stocks, bonds, other securities, installment and lands sale contracts, commodities, and precious and strategic metals. Investments also include **money loaned out** by the student or parent (the unpaid principal would be reported as an asset). "Real Estate" includes second or summer homes or rental properties owned by the student or parents. Report the net value of this property as of the date the application was signed.

Rental properties. Sometimes the applicant will claim that rental properties represent a business, which would receive the higher Farm/Business offset. Generally, rental properties must be reported under Real Estate rather than Farm or Business Assets. To be reported as a business, a rental property would have to be part of a formally recognized business. (Usually, such a business would provide additional services, such as regular cleaning, linen, or maid service.)

Business. Report the current market value of a business. Include the value of land, buildings, machinery, equipment, inventories, etc. Don't include the home even if it is part of the business. Then write in what is owed on the business, including the unpaid mortgage and related debts.

Farm. When reporting the current market value of a farm, the student should include the value of the land, buildings, machinery, equipment, livestock, and inventories. The amount of farm debt reported should include the unpaid mortgage and related debts, as well as any loan for which the farm assets were used as collateral.

(Note that when current market value for business/farm is reported, it must be the amount the business/farm could sell for as of the date of the application. Also, if the student or parent is not the sole owner of the business/farm, only his or her share of the debt must be reported.)

Take-back mortgages. In a "take-back" mortgage, the seller takes back a portion of the mortgage from the buyer and arranges for the buyer to repay that portion of the mortgage to the seller. For IRS purposes, the seller must report the interest portion of any payments received from the buyer on Schedule B of the IRS Form 1040. Therefore, if there is an amount reported on this line, the family probably has an asset that should be reported on the financial aid application.

The asset value to be reported is the value of the take-back mortgage. Note that there would be no debt reported against this asset. For instance, if the family sold its house for $60,000 and had a take-back mortgage of $20,000, the family should report $20,000 under "Other real estate and investments value" on the application. This amount will decrease each year depending on how much of the principal the buyer paid back that year.

(This discussion would also apply to other forms of seller financing that result from the sale of a home or other property.)

Trust Funds and Tuition Prepayment Plans

Trust funds in the name of a specific individual should be reported as that person's assets on the application. In the case of divorce or separation where the trust is owned jointly, and ownership is not being contested, the property and the debt is equally divided between the owners for reporting purposes, unless the terms of the trust specify some other method of division.

As a general rule, the present value of the trust must be reported as an asset, even if the beneficiary's access to the trust is restricted. If the grantor of a trust has voluntarily placed restrictions on the use of the trust, then the trust would be reported in the same manner as a trust that did not have any specific restrictions. The way in which the trust must be reported varies according to whether the student (or dependent student's parent) receives or will receive the interest income or the principal of the trust, or both.

Interest only. If a student, spouse, or parent receives only the interest from the trust, any interest received in the base year must be reported as income. Even if the interest accumulates in the trust and is not paid out during the year, the person who will receive the interest must report an asset value for the interest he/she will receive in the future. The present value of the interest the person will receive while the trust exists can usually be calculated by the trust officer. This value represents the amount a third person would be willing to pay in order to receive the interest income that the student (or parent) will receive from the trust in the future.

Principal only. The student, spouse, or parent who will receive only the trust principal must report the present value of his or her right to the trust principal as an asset. For example, if the principal is $10,000 and reverts to a dependent student's parents when the trust ends in 10 years, but the student is receiving the interest earned from the trust, the present value of the parents' right to the principal of the trust must be reported as a parental asset. The present value of the principal is the amount that a third person would pay at the present time for the right to receive the principal 10 years from now (basically, the amount that one would have to deposit now to receive $10,000 in 10 years, including the accumulated interest). Again, the present value can be calculated by the trust officer.

Both Principal and Interest. If a student, spouse, or parent receives both the interest and the principal from the trust, the present value of both interest and principal would be reported, as described on the preceding page. If the trust is set up in such a manner that the interest accumulates within the trust until the trust ends, the beneficiary should report as an asset the present value of the funds (both interest and principal) that he or she is expected to receive when the trust ends.

If a trust has been restricted by court order, it would not be reported as an asset. One example of such a restricted trust is a trust that was set up by court order to pay for future surgery for the victim of a car accident.

Note that the Michigan Education Trust and all similar tuition prepayment plans are excluded from being reported as an asset on the FAFSA. This is a change in previous policy.

Excluded assets

Some assets are not to be reported on the financial aid application.

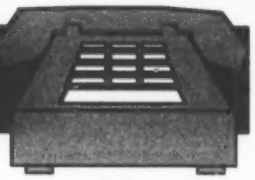
Pensions and whole life insurance. Pensions are not counted as assets for application purposes. Of course, when the income from a pension is distributed to the beneficiary, either as a lump-sum or as an incremental distribution, the income would be reported. The cash value or built-up equity of a life insurance policy (often referred to as a "whole-life" policy) is not reported as an asset.

Excluded assets for Native American students. The law explicitly excludes any property received under the Distribution of Judgement Funds Act (25 United States Code 1401, et seq.), the Alaska Native Claims Settlement Act (43 United States Code 1601, et seq.), or the Maine Indian Claims Settlement Act (25 United States Code 1721, et seq.).

Appendix A:

Sources of Additional Information

Toll-Free Information



For information on any of the federal student financial aid programs discussed in this *Handbook,* you or your students may call the —

Federal Student Aid Information Center
1-800-4 FED AID (433-3243)

TDD (1-800-730-8913)

9:00 a.m. - 5:30 p.m., Eastern Time, Monday through Friday

Please note that the **Information Center** cannot accept collect calls.

The **Information Center** provides the following services:

- Help in completing the application
- Help in understanding and correcting a SAR
- Checking on whether a school participates in the federal student aid programs
- Explaining who is eligible for aid
- Explaining how federal student aid is awarded and paid
- Explaining the verification process
- Mailing publications

The Information Center can also give a high school student a rough estimate of the student's eligibility for student aid, based on the income of the student's family, the number of family members, family members in college, the kind of school the student wants to attend, and the student's marital status.

To check on the status of an application, or to request a **duplicate SAR** you should call the **Information Center** on 301-722-9200.

The Center is not able to —

- ▼ Make policy
- ▼ Expedite the Federal Pell Grant application process
- ▼ Discuss a student's Federal Pell Grant file with unauthorized persons
- ▼ Change a student's file without written authorization
- ▼ Influence an individual school's policies

The student's initial source of information on federal student aid should be the *Student Guide* **(See "Useful Publications" in this appendix)**, the instructions in the application booklet, the high school counselor, and the postsecondary school financial aid administrator.

Useful Publications

The Student Guide 1994-95— A free booklet giving application information and describing the U.S. Department of Education's major financial aid programs. Individual copies will be available in January from:

Federal Student Aid Information Center
P.O. Box 84
Washington, D.C. 20044

School Shopping Tips — A guide to choosing a school carefully. Suggests things to look for when choosing a school and a career. Available from:

Federal Student Aid Information Center
P.O. Box 84
Washington, D.C. 20044

Higher Education Opportunities for Minorities and Women — Annotated Selections 1991 Edition — Although designed primarily for minorities and women, many of the listed opportunities are for all students. In some instances, information is provided on loans, scholarships, and fellowships. Available from:

Federal Student Aid Information Center
P.O. Box 84
Washington, D.C. 20044

Need a Lift? — The 42nd edition (1993 issue) contains a survey of educational opportunities, careers, loans, and scholarships. Available for $2.00 from:

The American Legion
National Emblem Sales
P.O. Box 1050
Indianapolis, Indiana 46206

Paying for Your Education: A Guide for Adult Learners — A 160-page booklet available for $7.95 from:

College Board Publications Orders
Box 8896
New York, New York 10101-0886

Preparing Your Child for College: A Resource Book for Parents — A booklet that provides information on the academic and financial preparation necessary for college. Copies are available free from:

Consumer Information Center
Department 6534
Pueblo, Colorado 81009

Make it Happen!—A step-by-step guide to college for students in grades 8 through 12. Available for $1.00 from:

Higher Education Information Center
Youth Programs Department
330 Stuart Street
Suite 500
Boston, Massachusetts 02116

Appendix B:

State Agencies

Listed below for each state, are the agencies responsible for administering the SSIG, Paul Douglas Teacher Scholarship, Robert C. Byrd Honors Scholarship Programs, and the National Science Scholars Program (NSSP) in that state, along with a contact person for each agency. The SSIG agency is always listed first, followed by the Douglas agency (in states where the Douglas program operates), the Byrd agency, and lastly by the NSSP agency. In most of the states, the SSIG and Douglas programs are administered by the same agency, while the Byrd program and NSSP are administered by either the state Department of Education or a different agency. The contact for each agency is usually the program official, designated as such with a "(P)" in front of his or her name. In a few instances, when there is no program official, the official listed will be the senior agency official. That person will be designated as such with an "(A)" in front of his or her name.

ALABAMA

Alabama Commission on Higher Education
3465 Norman Bridge Road
Montgomery, Alabama 36105-2310
TEL: (205) 281-1921

SSIG Contact:

(P) Dr. Jan B. Hilyer
Assistant Director for Grants and Scholarships

Douglas Program:

(P) Dr. Jan B. Hilyer

Byrd Program and NSSP:

State Department of Education
Gordon Persons Office Building
50 North Ripley Street
Montgomery, Alabama 36130-3901
TEL: (205) 242-8049

(P) Ms. Ouda Myers
Curr. Spec.

ALASKA

Alaska Commission on Postsecondary Education
Post Office Box 110505
Juneau, Alaska 99811-0505
TEL: (907) 465-2854 Ext. 107

SSIG and Douglas Contact:

(P) Ms. Diane Barrans
Special Programs Coordinator
TEL: (907) 465-6743

Byrd Program and NSSP:

State of Alaska Department of Education
801 West 10th Street
Suite 200
Juneau, Alaska 99801-1894

Byrd Contact:

(P) Ms. Terri Campbell
Program Coordinator
TEL: (907) 465-2884

NSSP Contact:

(P) Ms. Rosemary Hagerig
Program Coordinator
TEL: (907) 465-8715

ARIZONA

Arizona Commission for Postsecondary Education
2020 North Central Ave., Suite 275
Phoenix, Arizona 85004
TEL: (602) 229-2593

SSIG Contact:

(P) Mr. Louie R. Bustillo
Education Program
Compliance Officer

Douglas Contact:

(P) Ms. Isabelle Holhowser
Asst. to the Executive Director
TEL: (602) 229-2592

Byrd Program and NSSP:

State Department of Education
1535 West Jefferson
Phoenix, Arizona 85007

Byrd and NSSP Contact:

(P) Mr. William L. Hunter
Education Program Director
TEL: (602) 542-2147

ARKANSAS

Arkansas Department of Higher Education
114 East Capitol St.
Little Rock, Arkansas 72201-3818
TEL: (501) 324-9300

SSIG Contact:

(P) Mr. Phil Axelroth
Assistant Coordinator of
Student Aid

Douglas Contact:

(P) Dr. Diane S. Gilleland
Director

Byrd Program and NSSP:

Arkansas Department of Education
4 State Capitol Mall, Room 304A
Little Rock, Arkansas 72201-1071
(501) 682-4474

(P) Dr. Charles D. Watson
Manager, Special projects and specialist
in math

CALIFORNIA

California Student Aid Commission
P.O. Box 510845
Sacramento, California 94245-0845

SSIG Contact:

(P) Ms. Rebecca Stilling
Deputy Director
TEL: (916) 322-9267

Douglas Contact:

(P) Mr. Robert Ruiz
Specialized Programs
TEL: (916) 322-8801

BYRD PROGRAM:

CALIFORNIA STUDENT AID COMMISSION
1515 S Street, North Bldg.
Suite 500, P.O. Box 942845
Sacramento, California 94245-0845
TEL: (916) 322-8801

(P) Ms. Janet McDuffie
Coordinator, Specialized Programs

NSSP:

California Department of Education
721 Capitol Mall
P.O. Box 944272
Sacramento, California 94244-2720
TEL: (916) 324-7100

(P) Mr. David Hammond
TEL: (916) 657-5373

COLORADO

COLORADO COMMISSION ON HIGHER EDUCATION
Colorado Heritage Center
1300 Broadway, 2nd Floor
Denver, Colorado 80203
TEL: (303) 866-2723

SSIG and Douglas Contact:

(P) Mr. John Ceru
Administrator,
Colorado Student Aid Programs

BYRD PROGRAM AND NSSP:

STATE DEPARTMENT OF EDUCATION
201 East Colfax Avenue
Denver, Colorado 80203

Byrd Contact:

(P) Dr. Arvin C. Blome
Assistant Cornmissioner
TEL: (303) 866-6782

NSSP Contact:

(P) Ms. Mary Gromko
Science Consultant
TEL: (303) 866-6764

CONNECTICUT

SSIG, DOUGLAS, & BYRD PROGRAM:

CONNECTICUT DEPARTMENT OF HIGHER EDUCATION
61 Woodland Street
Hartford, Connecticut 06105-2391
TEL: (203) 566-2618

(P) Mr. John J. Siegrist
Director of Student
Financial Assistance

NSSP:

Connecticut State Dept. of Education
P.O. Box 2219
Hartford, Connecticut 06145
TEL: (203) 566-6018

(P) Mr. Steven Weinberg
Mathematics Consultant

DELAWARE

DELAWARE POSTSECONDARY EDUCATION COMMISSION
Carvel State Office Building
820 North French Street, 4th Floor
Wilmington, Delaware 19801
TEL: (302) 577-3240

SSIG Contact:

(P) Ms. Marilyn R. Quinn
Associate Director

Douglas Contact:

(P) Ms. Marilyn B. Quinn
Associate Director

BYRD PROGRAM AND NSSP:

STATE DEPARTMENT OF PUBLIC INSTRUCTION
Townsend Building, #279
Federal & Lockerman Streets
Post Office Box 1402
Dover, Delaware 19903-1402

Byrd Contact:

(P) Vacant
TEL: (302) 739-4681

NSSP Contact:

Mr. John Cairns
State Supervisor or Science/
Environmental Education
TEL: (302) 739-3742

DISTRICT OF COLUMBIA

DEPARTMENT OF HUMAN SERVICES
Office of Postsecondary Education,
Research and Assistance
2100 Martin Luther King, Jr. Avenue, SE
Suite 401
Washington, D.C. 20020

SSIG Contact:

(P) Ms. Jean T. Green
Acting Program Manager
D.C. SSIG Section
TEL: (202) 727-3685

Douglas Contact:

(P) Ms. Laurencia O. Henderson
Student Financial Assistance Specialist
TEL: (202) 727-3685

BYRD PROGRAM:

DISTRICT OF COLUMBIA PUBLIC SCHOOLS
Division of Student Services
4501 Lee Street, N.E.
Washington, D.C. 20019
TEL: (202) 724-4934

(P) Ms. Annabelle F. Strayhorn
Director, Student Affairs Branch

NSSP:

Division of Curriculum and
Educational Technology
Langdon Administrative Unit
20th & Evarts Street, N.E.
Washington, D.C. 20018
TEL: (202) 576-7817

(P) Ms. Francis Brock
Administrative Unit

FLORIDA

FLORIDA DEPARTMENT OF EDUCATION
Office of Student Financial Assistance
1344 Florida Education Center
Tallahassee, Florida 32399-0400
TEL: (904) 488-1034

SSIG and Douglas Contact:

(P) Dr. M. Elizabeth Sweeney
Administrator of State Programs

BYRD PROGRAM:

STATE DEPARTMENT OF EDUCATION
Capitol Building, Room PL 08
Tallahassee, Florida 32399-0400
TEL: (904) 488-1034

(P) Dr. M. Elizabeth Sweeney
Administrator of State Programs

NSSP:

Florida Department of Education
Office of Student Financial Assistance
1344 Florida Education Center
Tallahassee, Florida 32399-0400
TEL: (904) 488-1034

(P) Dr. M. Elizabeth Sweeney
Administrator of State Programs

GEORGIA

GEORGIA STUDENT FINANCE AUTHORITY
State Loans & Grants Division
2082 East Exchange Place
Suite 200
Tucker, Georgia 30084
TEL: (404) 414-3084

SSIG and Douglas Contact:

(P) Mr. William A. Flook
Program Manager

BYRD PROGRAM:

STATE DEPARTMENT OF EDUCATION
2066 Twin Towers East
205 Butler Street
Atlanta, Georgia 30334
TEL: (404) 656-5812

(P) Mr. Lonnie Love
Administrator

NSSP:

GEORGIA DEPARTMENT OF EDUCATION
1952 Twin Towers East
205 Butler Street
Atlanta, Georgia 30334-5040
TEL: (404) 656-5812

(P) Mr. Lonnie Love
Administrator for gifted programs

HAWAII

HAWAII STATE POSTSECONDARY EDUCATION COMMISSION
2444 Dole Street, Room 209
Honolulu, Hawaii 96822
TEL: (808) 956-8213

SSIG Contact:

(P) Mr. Carl H. Makino
Administrative Assistant to
the Commission

DOUGLAS PROGRAM:

Not participating

BYRD PROGRAM:

STATE DEPARTMENT OF EDUCATION
1302 Queen Emma Street
Room A207
Honolulu, Hawaii 96813
TEL: (808) 548-6079

(P) Ms. Eloise Lee
Administrator, Byrd Scholarship Program

HAWAII STATE DEPARTMENT OF EDUCATION
P.O. Box 2360
1300 Miller Street, #307
Honolulu, Hawaii 96804
TEL: (808) 396-2567

(P) Mr. Justin Mew
Science Educational Specialist

IDAHO

OFFICE OF THE STATE BOARD OF EDUCATION
Len B. Jordan Building, Room 307
650 West State Street
Boise, Idaho 83720
TEL: (208) 334-2270

SSIG Contact:

(P) Mr. Keith Hasselquift
Chief Fiscal Officer

Douglas Contact:

(P) Mr. Bill Hargrove
Public Affairs Officer

BYRD PROGRAM AND NSSP:

STATE DEPARTMENT OF EDUCATION
650 West State Street
Boise, Idaho 83720

Byrd Contact:

(P) Ms. Sally Keister
Coordinator
TEL: (208) 334-2113

NSSP Contact:

(P) Dr. Richard Kay
Supervisor of Science
TEL: (208) 334-2281

ILLINOIS

ILLINOIS STUDENT ASSISTANCE COMMISSION
1755 Lake Cook Road
Deerfield, Illinois 60015-5209
TEL: (708) 948-8500 Ext. 920

SSIG Contact:

(P) Ms. Christine Peterson
Director, Program Services

Douglas Contact:

(P) Mr. Dave Debolt
Manager, Specialized Scholarships and Grants, Ext. 2116

BYRD PROGRAM AND NSSP:

STATE BOARD OF EDUCATION
100 North First Street
Springfield, Illinois 62777

Byrd Contact:

(P) Mr. Ray Schaljo
Manager
TEL: (217) 782-5728

NSSP Contact:

(P) Mr. Robert S. H. Hardy, Jr.
Manager
TEL: (217) 782-9374

INDIANA

State Student Assistance Commission of Indiana
150 West Market St.
Suite 500
Indianapolis, Indiana 46204-2811
TEL: (317) 232-2350

SSIG Contact:

(P) Ms. Patricia Bright
Business and Accounting
Manager

Douglas Contact:

(P) Ms. Yvonne Heflin
Director of Special Programs

Byrd Program and NSSP:

Indiana Department of Education
Room 229 - State House
Center for School Improvement
& Performance
Indianapolis, Indiana 46204-2798
TEL: (317) 232-9101

(P) Ms. Phyllis L. Usher
Senior Officer

IOWA

Iowa College Student Aid Commission
201 Jewett Building
914 Grand Avenue
Des Moines, Iowa 50309
TEL: (515) 242-6703

SSIG and Douglas Contact:

(P) Mr. John W. Heisner, III
Director, Program
Administration

Byrd Program:

State Department of Education
Grimes State Office Building
Bureau of Instruction & Curriculum
Des Moines, Iowa 50319-0146

(P) Mr. Ned Johnson
TEL: (515) 242-6712

NSSP:

Iowa Department of Education
Grimes State Office Building
Des Moines, Iowa 50319

(P) Dr. W. Tony Heiting
Science Consultant
TEL: (515) 281-3249

KANSAS

Kansas Board of Regents
700 S.W. Harrison
Suite 1410
Topeka, Kansas 66603-3760
TEL: (913) 296-3517

SSIG and Douglas Contact:

(P) Ms. N. Christine Crenshaw
Director of
Student Financial Aid
TEL: (913) 296-3421

Byrd Program:

State Department of Education
Kansas State Education Bldg.
120 East Tenth Street
Topeka, Kansas 66612-1103
TEL: (913) 296-2306

(P) Mr. Warren J. Bell
Director

NSSP:

Kansas State Department of Education
120 East Tenth Street
Topeka, Kansas 66612
TEL: (913) 296-4946

(P) Mr. Craig R. Shove
Team Leader

KENTUCKY

Kentucky Higher Education Assistance Authority
1050 U.S. 127 South, Suite 102
Frankfort, Kentucky 40601
TEL: (502) 564-4928

SSIG and Douglas Contact:

(P) Ms. Rebecca Byford
Program Coordinator, Student Aid Programs
TEL: (502) 564-5279

Byrd Program:

State Department of Education:
1725 Capital Plaza Tower, 17th Floor
Frankfort, Kentucky 40601
TEL: (502) 564-6720

(P) Ms. Yvonne Thompson
Division Director,
Awards and Recognition
TEL: (502) 564-3421

NSSP:

Kentucky Department of Education
500 Mero, 19th Floor
Capitol Plaza Tower
Frankfort, Kentucky 40601
TEL: (502) 564-3141

(P) Ms. Yvonne Thompson
Division Director

LOUISIANA

Louisiana Student Financial Assistance Commission
Office of Student Financial Assistance
Post Office Box 91202
Baton Rouge, Louisiana 70821-9202

SSIG and Douglas Contact:

(P) Ms. Winona Kahao
Director, Scholarships and Grants
TEL: (504) 922-1150

Byrd Program:

State Department of Education
Post Office Box 94064
626 North 4th Street, 12th Floor
Baton Rouge, LA 70804-9064
TEL: (504) 342-2098

(P) Ms. Sue Weaver
Assistant to the Superintendent

NSSP:

Louisiana State Department of Education
Post Office Box 94064
Baton Rouge, LA 70804-9064
TEL: (504) 342-1136

(P) Ms. Cheryl Emanuel
Program Manager for Science
and Environmental Education

MAINE

Finance Authority of Maine
Post Office Box 949
83 Western Avenue
Augusta, Maine 04333-0949
TEL: (207) 287-2183

SSIG Contact:

(P) Ms. Nancy E. Wasson
Consultant, Maine Student
Incentive Scholarship Program

Douglas Contact:

(P) Mrs. Helen Renko-Flanagan
Consultant

Byrd Program:

State Department of Education
Higher Education Services
State House Station #23
Augusta, Maine 04333
TEL: (207) 289-2183

(P) Mrs. Helen Renko-Flanagan
Program Administrator
TEL: (207) 289-2183

NSSP:

Finance Authority of Maine
State House Station #119
Augusta, Maine 04333
TEL: (207) 287-2183

(P) Ms. Mia Purcell
FAME Maine Education Assistance
Division

MARYLAND

Maryland Higher Education Commission
Jeffrey Building
16 Francis Street
Annapolis, Maryland 21401-1781
TEL: (410) 974-5370

SSIG Contact:

(P) Ms. Jan Hickey
Associate Director

Douglas Contact:

(A) Mr. Michael A. Smith
Assistant Director

BYRD PROGRAM AND NSSP:

STATE DEPARTMENT OF EDUCATION
200 West Baltimore Street
Baltimore, Maryland 21201-2595

Byrd Contact:

(P) Dr. Susan Travetto
Program Administrator
TEL: (410) 333-2267

NSSP Contact:

(P) Dr. Lorraine Costella
Asst. State Superintendent Curr. and Instr.
TEL: (412) 533-2311

MASSACHUSETTS

MASSACHUSETTS HIGHER EDUCATION COORDINATING COUNCIL
Room 1401, McCormack Building
One Ashton Place
Boston, Massachusetts 02108-1696
TEL: (617) 727-9420

SSIG and Douglas Contact:

(P) Ms. Karen Struthers
Acting Director,
State Scholarship Office

BYRD PROGRAM:

STATE DEPARTMENT OF EDUCATION
Beaman Street
West Boylston, Massachusetts 01583
TEL: (617) 792-7780

(P) Mr. Raymond Gehling
Chapter II Block Grant Coordinator

NSSP:

Massachusetts Department of Education
Division of School Programs
1385 Hancock Street
Quincy, Massachusetts 02169
(617) 770-7347

(P) Mr. Neil Davidson
TEL: (617) 388-3300 Ext. 243

MICHIGAN

MICHIGAN DEPARTMENT OF EDUCATION
Scholar and Tuition Grant Program
Post Office Box 30008
Lansing, Michigan 48909
TEL: (517) 373-3394

SSIG and Douglas Contact:

(P) Ms. Jean Maday
Director

BYRD PROGRAM:

STATE DEPARTMENT OF EDUCATION
Post Office Box 30008
608 West Allegan Street
Lansing, Michigan 48909
TEL: (517) 373-3399

(P) Ms. Jean Maday
Director, Scholarship and Grants Programs

NSSP:

STATE DEPARTMENT OF EDUCATION
Post Office Box 30008
Lansing, Michigan 48909
TEL: (517) 373-4223

(P) Ms. Mozell P. Lang
Science Education Specialist

MINNESOTA

Minnesota Higher Education Coordinating Board
Suite 400, Capitol Square
550 Cedar Street
St. Paul, Minnesota 55101

SSIG Contact:

(P) Ms. Virginia Dodds
Manager, State Grant Programs
TEL: (612) 296-3974 (Ext. 3034)

Douglas Contact:

(P) Ms. Mary Lou Dresbach
Administrative Associate
TEL: (612) 296-3974

Byrd Program:

State Department of Education
712 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101
TEL: (612) 297-2585

(P) Ms. Zona Sharp-Burk
Minnesota Academic Excellence Foundation

NSSP:

State Department of Education
625 Capitol Square Building
550 Cedar Street
St. Paul, Minnesota 55101
TEL: (612) 296-4071

(P) Ms. Kathleen Lundgren
Science Specialist

MISSISSIPPI

Mississippi Postsecondary Education Financial Assistance Board
3825 Ridgewood Road
Jackson, Mississippi 39211-6453

SSIG Contact:

(P) Ms. Dottie Strain
Assistant Director
TEL: (601) 982-6570

Douglas Contact:

(P) Ms. Kay S. Coleman
Director
TEL: (601) 982-6575

Byrd Program:

State Department of Education
Post Office Box 771
550 High Street, Room 501
Jackson, Mississippi 39205-0771
TEL: (601) 359-3513

(P) Mr. Andy Mullins
Director, External Relations

NSSP:

State Department of Education
Bureau of Instructional Services
Post Office Box 771, Suite 604
Jackson, Mississippi 39205-0771
TEL: (601) 359-3791

(P) Dr. Linda Kay
Director

MISSOURI

Missouri Coordinating Board for Higher Education
3515 Amazonas Drive
Jefferson City, Missouri 65109-5717
TEL: (314) 751-2361

SSIG and Douglas Contact:

(P) Mr. Dan Peterson
Senior Associate, Student Financial Aid Programs

Byrd Program:

State Department of Elementary and Secondary Education
Post Office Box 480
205 Jefferson Street, Sixth Floor
Jefferson City, Missouri 65102
TEL: (314) 751-2931

(P) Dr. Celeste Ferguson
Assistant Commissioner

NSSP:

State Department of Elementary and Secondary Education
Instructional Improvement and Resources Section
Post Office Box 480
Jefferson City, Missouri 65102
TEL: (314) 751-9053

(P) Ms. Betty Lohraff
Director

MONTANA

Montana University System
2500 Broadway
Helena, Montana 59620-3103
TEL: (406) 444-6594

SSIG Contact:

(P) Mr. William J. Lannan
Director of Special Projects

Douglas Contact:

(P) Ms. Betty Haight
Program Assistant

Byrd Program and NSSP:

State Office of Public Instruction
State Capitol, Room 106
Helena, Montana 59620

Byrd Contact:

(P) Mr. Michael Hall
Gifted and Talented Education Specialist
TEL: (406) 444-4422

NSSP Contact:

(P) Ms. Linda Peterson
Administrator of Basic Education
TEL: (406) 444-4439

NEBRASKA

Coordinating Commission for Postsecondary Education
Post Office Box 95005
Lincoln, Nebraska 68509-5005

SSIG Contact:

(P) Dr. Bruce G. Stahl
Executive Director
TEL: (402) 471-2847

Douglas Contact:

(P) Dr. Dean F. Bergman
Program Administrator
TEL: (402) 471-2784

BYRD PROGRAM AND NSSP:

STATE DEPARTMENT OF EDUCATION
Post Office Box 94987
301 Centennial Mall South
Lincoln, Nebraska 68509-4987

Byrd Contact:

(P) Dr Dean F. Bergman
Administrative Assistant
TEL: (402)471-2784

NSSP Contact:

(P) Mr. James A. Woodland
Director Science Education
TEL: (402) 471-4329

NEVADA

STATE DEPARTMENT OF EDUCATION
400 West King Street
Capitol Complex
Carson City, Nevada 89710

SSIG Contact:

(P) Ms. Susan Lloyd
Coordinator, Nevada Student
Incentive Grant Program
TEL: (702) 687-5915

DOUGLAS PROGRAM:

Not participating

BYRD PROGRAM AND NSSP:

STATE DEPARTMENT OF EDUCATION
400 West King Street
Capitol Complex
Carson City, Nevada 89710

Byrd Contact:

(P) Ms. Susan Lloyd
TEL: (702) 687-5915

NSSP Contact:

Dr. Eugene T. Paslov
Superintendent of Public Instruction
TEL: (702) 687-3100

NEW HAMPSHIRE

NEW HAMPSHIRE EDUCATION COMMISSION
2 Industrial Park Drive
Concord, New Hampshire 03301
TEL: (603) 271-2555

SSIG and Douglas Contact:

(P) Mr. James Busselle
Executive Director

BYRD PROGRAM:

STATE DEPARTMENT OF EDUCATION
State Office Park South
101 Pleasant Street
Concord, New Hampshire 03301
TEL: (603) 271-2632

(P) Mr. William B. Ewert
Administrator, Bureau of
Elementary/Secondary
Education

NSSP:

New Hampshire Department of Education
Science Department
101 Pleasant Street
Concord, New Hampshire 03301
TEL: (603) 271-2632

(P) Dr. Edward J. Hendry
Curriculum Supervisor Science

NEW JERSEY

New Jersey Department of Higher Education
Office of Grants and Scholarships
4 Quakerbridge Plaza CN 540
Trenton, New Jersey 08625
TEL: (609) 588-3268

SSIG and Douglas Contact:

(P) Mr. Dennis Levy
Associate Director

Byrd Program:

State Department of Education
225 West State Street
Trenton, New Jersey 08625-0500
TEL: (609) 984-6409

(P) Ms. Ann Hansen
Program Administrator

NSSP:

New Jersey Department of Education
Bureau, Curriculum and Technology
CN 500, 240 West State Street
Trenton, New Jersey 08625-0500
TEL: (609) 984-6305

(P) Dr. Deborah Cook
Science Coordinator

NEW MEXICO

SSIG Program:

Commission on Higher Education
1068 Cerrillos Road
Santa Fe, New Mexico 87501-4295
TEL (505) 827-7383

(P) Mr. Danny Earp
Deputy Director

Douglas Program:

New Mexico Educational Assistance Foundation
Post Office Box 27020
Albuquerque, New Mexico 87125-7020
TEL: (505) 345-3371

(P) Ms. Paula Rich
Administrative Coordinator

Byrd and Byrd Program:

State Department of Education
Education Building
300 Don Gaspar
Santa Fe, New Mexico 87501-2786
TEL: (505) 827-6648

(P) Mr. Ralph Paiz
Chapter II Director

NSSP:

(P) Mr. Sam Ornelas
Science Consultant
TEL: (505) 827-6579

NEW YORK

New York State Higher Education Services Corporation
One Commerce Plaza
Albany, New York 12255
TEL (518) 473-0431

SSIG and Douglas Contact:

(P) Mr. Charles E. Graber
Chief, Bureau of Postsecondary Grant Administration

Byrd Program:

State Education Department
111 Education Building
Washington Avenue
Albany, New York 12234
TEL: (518) 474-5902

(P) Ms. Carolyn D. Byrne
Director

NSSP:

New York State Education Department
Office of Higher & Continuing Education
Cultural Education Center
Room 5B68
Albany, New York 12234
TEL: (518) 474-3896

(P) Mr. Charles F. Graber
Chief, Bureau of Postsecondary Grants Administratio

NORTH CAROLINA

North Carolina State Education Assistance Authority
Post Office Box 2688
Chapel Hill, North Carolina 27515-2688
TEL: (919) 549-8614

SSIG Contact:

(P) Mr. Stan C. Broadway
Executive Director

Douglas Contact:

(P) Mrs. Julia D. Martin
Manager, Scholarships and Grant Services

Byrd Program:

State Dept. of Public Instruction
Education Building
Division of Teacher Education
116 West Edenton Street
Raleigh, NC 27603-1712
TEL: (919) 733-0701

(P) Ms. Grace Drain
Chief, Consultant for Teacher Recruitment

NSSP:

North Carolina Dept. of Public Instruction
116 West Edenton Street
Raleigh, NC 27603-1712
TEL: (919) 733-8317

(P) Ms. Mary H. Lamm
Science Program Specialist

NORTH DAKOTA

North Dakota State Board of Higher Education
N.D. Student Financial Assistance Program
600 East Boulevard
Bismarck, North Dakota 58505-0230
TEL: (701) 224-4114

SSIG and Douglas Contact:

(P) Ms. Peggy Wipf
Director of Financial Aid

Byrd Program:

State Dept. of Public Instruction
State Capitol Bldg., 11th Floor
600 Boulevard Avenue East
Bismarck, North Dakota 58505-0164
TEL: (701) 224-2098

(P) Mr. Clarence Bina
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Appendix C:

Glossary

Academic Year — This is a measure of the academic work to be accomplished by the student. The school defines its own academic year, but the federal regulations set minimum standards for the purpose of determining SFA awards. For instance, the academic year at a term school must be at least 30 weeks of instructional time in which a full-time student is expected to complete at least 24 semester or trimester hours, 36 quarter hours, or 900 clock hours.

Award Year — The award year begins on July 1st of one year, and extends to June 30 of the next year. Funding for the Federal Pell Grant and campus-based programs is provided on the basis of the award year — thus, a student is paid out of funds designated for a particular award year, such as the 1994-95 award year.

Base Year — For need analysis purposes, the base year is the calendar year preceding the award year. For instance, 1993 is the base year used for the 1994-95 award year. The "Free Application for Federal Student Aid" uses family income from the base year because it is more accurate and easier to verify.

Campus-based programs — The Federal Perkins Loan, the Federal Supplemental Educational Opportunity Grant, and the Federal Work-Study programs. These three programs are called "campus-based" because the funds are administered directly by the school's financial aid office, which awards these funds to students using federal guidelines.

Central Processing System (CPS) — The Department's processing facility for application data, currently located in Iowa. The CPS receives student information from the application processors, calculates the student's official EFC, and returns the student's information to the application processor, which prints the Student Aid Report.

Cost of Attendance (also known as Cost of Education) — The student's cost of attendance includes not only tuition and fees, but the student's living expenses while attending school. The cost of attendance is estimated by the school, within guidelines established by federal regulation. The cost of attendance is compared to the student's Expected Family Contribution to determine the student's need for aid.

Department (or ED) — Abbreviation for the U.S. Department of Education.

Default — Failure to repay a loan in accordance with the terms of the promissory note.

Default rate — A percentage calculated each year for a postsecondary school, based on the number of former students who have defaulted on a Federal Stafford Loan received at that school.

Expected Family Contribution (EFC) — The amount the student's family is expected to contribute towards the cost of attendance, for the purposes of the SFA programs. The EFC is printed on the front of the Student Aid Report.

Federal Family Education Loan Programs — The Federal Stafford, and Federal PLUS loan programs. Funds for these two programs are provided by private lenders, and the loans are guaranteed by the federal government.

Financial need — The difference between the student's cost of attendance and the expected family contribution.

Free Application for Federal Student Aid (FAFSA) — The application filled out by the student that collects household and financial information to be used to calculate the Expected Family Contribution.

Need analysis — The process of analyzing the household and financial information on the student's financial aid application and calculating an Expected Family Contribution.

Overaward — Generally, any amount of campus-based aid or a Federal Family Education Loan that exceeds the student's financial need. (The overaward concept does not apply to the Federal Pell Grant Program.)

Overpayment — Any payment of a Federal Pell Grant, Federal SEOG, or SSIG that exceeds the amount for which the student was eligible, whether the overpayment is the result of an overaward, an error in the cost of attendance or the Expected Family Contribution, or any other eligibility criterion, such as citizenship or enrollment in an eligible program.

Promissory Note — A legal document that the borrower signs to get a loan. By signing this note, the borrower promises to repay the loan, with interest, in specified installments. The promissory note will also include any information about the grace period, deferment or cancellation provisions, and the student's rights and responsibilities with respect to that loan.

Resources — Other student aid that must be taken into account to prevent an overaward in the campus-based programs, as defined in the regulations for the campus-based programs. (The term "resources" is used differently in the independent student definition, where it includes taxed and untaxed income and other forms of non-parental support, as well as student aid.)

School — A postsecondary educational institution. In this *Handbook* the term "school" refers to such an institution.

Simplified Needs Test — The primary purpose of the simplified needs test is to make it easier for students from low-income households to fill out the "Free Application for Federal Student Aid." If a student's family's taxed income or earned income is $49,999 or less, and the relevant family members were non-tax filers or used a 1040A or a 1040EZ to file their taxes, the student will fill out only the first part of the application. Students who use the simplified needs test generally receive a larger award.

Student Aid Report (SAR) — An output document sent to the student by the application processor. The SAR contains the financial and other information reported by the student on the "Free Application for Federal Student Aid." That information is entered into the processing system, and the SAR is produced. The student's eligibility for aid is indicated by the EFC printed on the front of the SAR.

SFA Programs — The programs administered by the office of Student Financial Assistance Programs within the U.S. Department of Education: Federal Pell Grants, Federal Supplemental Educational Opportunity Grants, Federal Work-Study, Federal Perkins Loans, Federal Stafford Loans, Federal PLUS Loans, State Student Incentive Grants, Byrd and Douglas Scholarships.

Verification — A procedure whereby the school checks the information the student reported on the financial aid application, usually by requesting a copy of the tax returns filed by the student and, if applicable, the student's spouse and parent(s). Many schools conduct their own form of verification. In addition, schools must verify students selected through the federal central processing system, following the procedures established by regulation. The contractor will print an asterisk next to the Expected Family Contribution (on the Student Aid Report) to identify students who have been selected for verification.

Appendix D:

EFC Worksheets

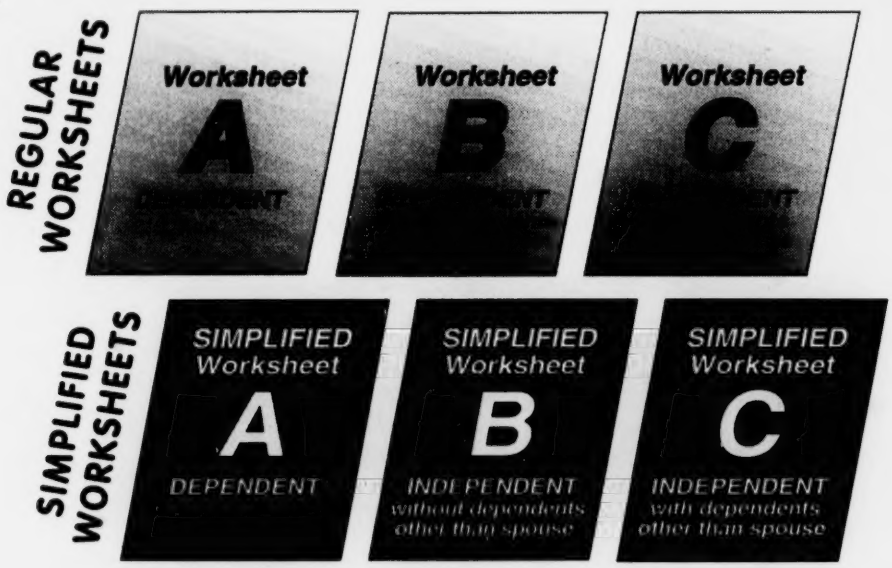
INTRODUCTION

What is the EFC?

The expected family contribution—EFC—is the amount that a family can be expected to contribute towards a student's college costs. By comparing the EFC to the student's cost of attendance, the financial aid administrator at the school can determine the student's financial need for federal student aid from the U.S. Department of Education (ED) and other sources. The EFC formula is used to determine need for assistance from the Federal Pell Grant, Federal Stafford Loan, Federal Direct Stafford Loan, and "campus-based" programs—Federal Supplemental Educational Opportunity Grants (FSEOG), Federal Perkins Loans, and Federal Work-Study (FWS) programs. The methodology for determining the EFC is found in Part F of Title IV of the Higher Education Act of 1965, as amended by the Higher Education Amendments of 1992; updated tables for the 1994-95 award year were published in the **Federal Register** May 27, 1993.

Which worksheet should be used?

There are three regular (full-data) formulas—(A) for the dependent student, (B) for the (single or married) independent student without dependent(s) other than a spouse, and (C) for the (single or married) independent student with dependent(s) other than a spouse. In addition, there is a simplified version of each formula with fewer data elements.


REGULAR WORKSHEETS
Worksheet A
Worksheet B
Worksheet C
SIMPLIFIED WORKSHEETS
SIMPLIFIED Worksheet A DEPENDENT
SIMPLIFIED Worksheet B INDEPENDENT without dependents other than spouse
SIMPLIFIED Worksheet C INDEPENDENT with dependents other than spouse

What is the source of data used in EFC calculations?

All data used to calculate a student's EFC come from the information the student provides on the Department's *Free Application for Federal Student Aid* (FAFSA), on a Renewal Application, or from application data filed electronically at those schools that participate in the Department's Electronic Data Exchange (EDE).

What is the definition of an independent student?

Since the EFC formula for a dependent student includes parental data, and the two formulas for independent students do not, the first step in calculating a student's EFC must be to determine his or her dependency status. For the 1994-95 award year, a student is automatically determined to be an independent applicant for federal student aid if he or she meets any *one* of the criteria listed below.

An independent student is one who—

1. is at least 24 years of age by December 31, 1994,
2. is a veteran of the U.S. Armed Forces (see box below),
3. is a graduate or professional student,
4. is a married individual,
5. is a ward of the court or both parents are dead, or
6. has legal dependents other than a spouse (see box below).

In unusual circumstances, a student who does not meet any of the above criteria for independent status may still be considered independent; the financial aid administrator at the student's school can make a special-case determination of independence even if the student initially filed as a dependent student. Documentation must be in the student's file showing the reasons for that determination. Note that a financial aid administrator *cannot* require a student who meets one of the independent criteria to file as a dependent student. However, on a case-by-case basis, the aid administrator may use his or her professional judgment to adjust the data items used in calculating an independent student's EFC to reflect a parental contribution. Again, any such individual determination must be documented in the student's file.

TERMS USED IN THE DEFINITION OF AN INDEPENDENT STUDENT

VETERAN. A student who is a veteran of active service in the U.S. Army, Navy, Air Force, Marines or Coast Guard and was released under a condition other than dishonorable, or a student who is or was a National Guard or Reserves enlistee who participated in Operation Desert Shield/Storm and was discharged from active duty, or a student who will be a veteran by June 30, 1995.

LEGAL DEPENDENT. Any person who lives with the student and receives more than half of his or her support from the student and will continue to receive more than half support from the student during the award year. Also, any child of the student who receives more than half support from the student (the child does not have to live with the student), including a natural or adopted child, or a child for whom the student is legal guardian.

Which students qualify for the simplified EFC formulas?

The criteria listed below determine which students may have their EFCs calculated by the simplified formulas. Assets are not considered in the EFC formula if a student qualifies to have his or her need calculated by the simplified formula.

For the 1994-95 award year, *a dependent* student qualifies for the simplified EFC formula if *all* of the following are true:

(1) the student's parents filed or are eligible to file a 1993 IRS Form 1040A or 1040EZ* (they are not required to file a 1993 Form 1040), or the parents are not required to file any income tax return; *and*

(2) the student filed or is eligible to file a 1993 IRS Form 1040A or 1040EZ* (he or she is not required to file a 1993 Form 1040), or he or she is not required to file any income tax return; *and*

(3) the 1993 income of the student's parents from one of the two sources below is $49,999 or less (excluding any income of the dependent student)—

- the parents' adjusted gross income from 1993 Form 1040A or 1040EZ*, or
- for parents who are not tax filers, the income shown on the 1993 W-2 forms of both parents (plus any other earnings from work not included on the W-2s).

For the 1994-95 award year, an *independent* student qualifies for the simplified EFC formula if *both* of the following are true:

(1) the student filed or is eligible to file a 1993 IRS Form 1040A or 1040EZ* (he or she is not required to file a 1993 Form 1040), or he or she is not required to file any income tax return; *and*

(2) the student's (and spouse's) 1993 income from one of the two sources below is $49,999 or less—

- the student's (and spouse's) adjusted gross income from 1993 Form 1040A or 1040EZ*, or
- for non-tax filers, the income shown on the student's (and spouse's) 1993 W-2 forms (plus any other earnings from work not included on the W-2s).

---

* One of the following 1993 income tax forms may be filed as an alternative to filing a Form 1040A or 1040EZ: the income tax return required by the tax code of the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, or Palau.

Which students automatically qualify for a zero EFC?

As a result of the Higher Education Amendments of 1992, certain students are automatically eligible for a zero EFC. For the 1994-95 award year, a *dependent student* automatically qualifies for a zero EFC if *both* of the following are true:

(1) the student's parents filed or are eligible to file a 1993 IRS Form 1040A or 1040EZ (they are not required to file a 1993 Form 1040), or the parents are not required to file any income tax return; and

(2) the sum of both parents' 1993 adjusted gross incomes is $12,000* or less, or if the parents are not tax filers, the sum of their earned incomes is $12,000 or less.

An *independent student with dependents other than a spouse* automatically qualifies for a zero EFC if *both* of the following are true:

(1) the student (and spouse) filed or are eligible to file a 1993 IRS Form 1040A or 1040EZ (they are not required to file a 1993 Form 1040), or the student and spouse are not required to file any income tax return; *and*

(2) the sum of the 1993 adjusted gross income(s) of the student (and spouse) is $12,000* or less, or if the student (and spouse) are not tax filers, the sum of their earned income(s) is $12,000 or less.

Note that the above automatic eligibility criteria for a zero EFC are not applicable to a single or married *independent student without dependents other than a spouse.*

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* This amount, as specified by P.L. 102-325, is based on the maximum amount of income, rounded to the nearest thousand, that may be earned in order to claim the Internal Revenue Service's "maximum federal earned income credit." The maximum amount of 1993 income that may be earned in order to claim the credit is $12,199, which, when rounded to the nearest thousand, is $12,000.

1994-95 EFC FORMULA A: DEPENDENT STUDENT

REGULAR WORKSHEET Page 1 **A**

PARENTS INCOME IN 1993

1. Parents' Adjusted Gross Income (FAFSA/SAR #71) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 4		
2. Parents' income earned from work:		
• Father's income (FAFSA/SAR #73)		
• Mother's income (FAFSA/SAR #74)	+	
Total income earned from work	= 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *		
4. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #75)		
• AFDC/ADC (FAFSA/SAR #76)	+	
• Child support received (FAFSA/SAR #77)	+	
• Other untaxed income (FAFSA/SAR #78)	+	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. 1993 Title IV Income Exclusions (FAFSA/SAR #79)	-	
7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero.	=	

ALLOWANCES AGAINST PARENTS INCOME

8. 1993 U.S. income tax paid (FAFSA/SAR #72) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table A1)	+	
10. Father's Social Security tax (Table A2)	+	
11. Mother's Social Security tax (Table A2)	+	
12. Income protection allowance (Table A3)	+	
13. Employment expense allowance:		
• Two working parents: 35% of the lesser of the earned incomes, or $2,500, whichever is less.		
• One-parent families: 35% of earned income, or $2,500, whichever is less.	+	
14. **TOTAL ALLOWANCES**	=	

AVAILABLE INCOME

Total income (from line 7)		
Total allowances (from line 14)	-	
15. **AVAILABLE INCOME (AI)** May be a negative number.	=	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1993 IRS Form 1040A or 1040EZ (they are not required to file a 1993 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

PARENTS CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #107)		
17. Real estate/investments value ** (FAFSA/SAR #108)		
Real estate/investments debt ** (FAFSA/SAR #109)	-	
Net worth of real estate/investments If negative, enter zero.	= 17.	
18. Business value ** (FAFSA/SAR #110)		
Business debt ** (FAFSA/SAR #111)	-	
Net worth of business If negative, enter zero	= 18.	
19. Farm value ** (FAFSA/SAR #112)		
Farm debt ** (FAFSA/SAR #113)	-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 19.	
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate, using Table A4.) →	+	
22. **Net worth** (sum of lines 16, 17, and 21)	=	
23. Education savings and asset protection allowance (Table A5)	-	
24. **Discretionary net worth** (line 22 minus line 23)	=	
25. Asset conversion rate	X	.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero.	=	

PARENTS' CONTRIBUTION

Available income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	
28. **Total parents' contribution from AAI** (Calculate, using Table A6; if negative, enter zero.)		
29. **Number in college in 1994-95** (FAFSA/SAR #57)	÷	
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)		

** Do not include the family's home.

continued on reverse

REGULAR WORKSHEET Page 2 **A**

STUDENT'S INCOME IN 1993		
31. Adjusted Gross Income (FAFSA/SAR #60) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 3)		
32. Income earned from work (FAFSA/SAR #62)		
33. Taxable Income (If tax filer, enter the amount from line 31 above. If non-tax filer, enter the amount from line 32.)		
34. Untaxed income and benefits: • Social Security benefits (FAFSA/SAR #64) _____ • Other untaxed income (FAFSA/SAR #67) + _____ Total untaxed income and benefits	= **34.**	
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. 1993 Title IV Income Exclusions (FAFSA/SAR #68)	-	
37. TOTAL INCOME (line 35 minus line 36) If negative, enter zero.	=	

ALLOWANCES AGAINST STUDENT INCOME		
38. 1993 U.S. income tax paid (FAFSA/SAR #61) (tax filers only); if negative, enter zero.		
39. State and other tax allowance (Table A7)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	1,750
42. TOTAL ALLOWANCES	=	

STUDENT CONTRIBUTION FROM INCOME		
Total Income (from line 37)		
Total allowances (from line 42)	-	
43. Available Income (AI) If negative, enter zero.	=	
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI	=	

STUDENT CONTRIBUTION FROM ASSETS		
46. Cash, savings, & checking (FAFSA/SAR #99)		
47. Real estate/investments value * (FAFSA/SAR #100) _____ Real estate/investments debt * (FAFSA/SAR #101) - _____ Net worth of real estate/investments If negative, enter zero.	= **47.**	
48. Business value * (FAFSA/SAR #102) _____ Business debt * (FAFSA/SAR #103) - _____ Net worth of business If negative, enter zero	= **48.**	
49. Farm value * (FAFSA/SAR #104) _____ Farm debt * (FAFSA/SAR #105) - _____ Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= **49.**	
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 30)		
STUDENT CONTRIBUTION FROM AI (from line 45)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. EXPECTED FAMILY CONTRIBUTION	=	

* Do not include the student's home.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 3 **A**

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months		
Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	÷	**9**
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment *	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months		
a. Parents' adjusted available income (AAI) (from line 27—may be a negative number)		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	**2,990**
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)	→	
e. Number in college (FAFSA/SAR #57)	÷	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	÷	**12**
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. Parents' contribution for MORE than 9-month enrollment *	=	

* Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on Worksheet A, line 30.

1994-95 EFC FORMULA A: DEPENDENT STUDENT

(Do not fill in shaded areas.)

SIMPLIFIED WORKSHEET Page 1 — **A**

PARENTS' INCOME IN 1993	
1. Parents' Adjusted Gross Income (FAFSA/SAR #71) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 4	
2. Parents' income earned from work: • Father's income (FAFSA/SAR #73) _____ • Mother's income (FAFSA/SAR #74) + _____ Total income earned from work = 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *	
4. Untaxed income and benefits: • Social Security benefits (FAFSA/SAR #75) _____ • AFDC/ADC (FAFSA/SAR #76) + _____ • Child support received (FAFSA/SAR #77) + _____ • Other untaxed income (FAFSA/SAR #78) + _____ Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. 1993 Title IV Income Exclusions (FAFSA/SAR #79) -	
7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero. =	

ALLOWANCES AGAINST PARENTS' INCOME	
8. 1993 U.S. income tax paid (FAFSA/SAR #72) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table A1) +	
10. Father's Social Security tax (Table A2) +	
11. Mother's Social Security tax (Table A2) +	
12. Income protection allowance (Table A3) +	
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $2,500, whichever is less. • One-parent families: 35% of earned income, or $2,500, whichever is less. +	
14. **TOTAL ALLOWANCES** =	

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. **AVAILABLE INCOME (AI)** May be a negative number. =	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1993 IRS Form 1040A or 1040EZ (they are not required to file a 1993 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS		
16. Cash, savings, & checking		
17. Real estate value ** (FAFSA/SAR #109) _____ Real estate debt ** (FAFSA/SAR #110) - _____ Net worth of real estate/investments If negative, enter zero. = 17.		
18. Business value ** (FAFSA/SAR #110) _____ Business debt ** (FAFSA/SAR #111) - _____ Net worth of business If negative, enter zero = 18.		
19. Farm value ** (FAFSA/SAR #112) _____ Farm debt ** (FAFSA/SAR #113) - _____ Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate, using Table A4.) →	+	
22. Net worth (sum of lines 16, 17, and 21)	=	
23. Education savings and asset protection allowance (Table A5)	-	
24. Discretionary net worth (line 22 minus line 23)	=	
25. Asset conversion rate	X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

PARENTS' CONTRIBUTION	
Available income (AI) (from line 15)	
Contribution from assets (from line 26) +	
27. **Adjusted available income (AAI)** May be a negative number. =	
28. **Total parents' contribution from AAI** (Calculate, using Table A6; if negative, enter zero.)	
29. **Number in college in 1994-95** (FAFSA/SAR #57) ÷	
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)	

** Do not include the family's home.

continued on reverse

SIMPLIFIED WORKSHEET Page 2 **A**

(Do not fill in shaded areas.)

STUDENT'S INCOME IN 1993		
31. Adjusted Gross Income (FAFSA/SAR #60) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 3)		
32. Income earned from work (FAFSA/SAR #62)		
33. Taxable Income (If tax filer, enter the amount from line 31 above. If non-tax filer, enter the amount from line 32.)		
34. Untaxed income and benefits: • Social Security benefits (FAFSA/SAR #64) _____ • Other untaxed income (FAFSA/SAR #67) + _____ Total untaxed income and benefits = **34.**		
35. Taxable and untaxed income (sum of line 33 and line 34)		
36. 1993 Title IV Income Exclusions (FAFSA/SAR #68) -		
37. TOTAL INCOME (line 35 minus line 36) If negative, enter zero. =		

ALLOWANCES AGAINST STUDENT INCOME		
38. 1993 U.S. income tax paid (FAFSA/SAR #61) (tax filers only); if negative, enter zero.		
39. State and other tax allowance (Table A7)	+	
40. Social Security tax allowance (Table A2)	+	
41. Income protection allowance	+	1,750
42. TOTAL ALLOWANCES	=	

STUDENT CONTRIBUTION FROM INCOME		
Total income (from line 37)		
Total allowances (from line 42)	-	
43. Available income (AI) If negative, enter zero.	=	
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI	=	

STUDENT CONTRIBUTION FROM ASSETS		
46. Cash, savings, & checking (FAFSA/SAR #99)		
47. Real estate/investments value * (FAFSA/SAR #100) _____ Real estate/investments debt * (FAFSA/SAR #101) - _____ Net worth of real estate/investments If negative, enter zero. = **47.**		
48. Business value * (FAFSA/SAR #102) _____ Business debt * (FAFSA/SAR #103) - _____ Net worth of business If negative, enter zero = **48.**		
49. Farm value * (FAFSA/SAR #104) _____ Farm debt * (FAFSA/SAR #105) - _____ Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = **49.**		
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
PARENTS' CONTRIBUTION (from line 30)		
STUDENT CONTRIBUTION FROM AI (from line 45)	+	
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. EXPECTED FAMILY CONTRIBUTION	=	

* Do not include the student's home.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 3 **A**

Calculation of Parents' Contribution for a Student Enrolled for LESS than 9 Months		
Parents' contribution (standard contribution for 9-month enrollment, from line 30)		
Divide by 9	+	**9**
Parents' contribution per month	=	
Multiply by number of months enrollment	X	
Parents' contribution for LESS than 9-month enrollment *	=	

Calculation of Parents' Contribution for a Student Enrolled MORE than 9 Months		
a. Parents' adjusted available income (AAI) (from line 27—may be a negative number)		
b. Difference between the income protection allowance for a family of four and a family of five, with one in college	+	**2,990**
c. Alternate parents' AAI for more than 9-month enrollment (line a + line b)	=	
d. Total parents' contribution from AAI (calculate from Table A6, using alternate AAI)	→	
e. Number in college (FAFSA/SAR #57)	+	
f. Alternate parents' contribution for student	=	
g. Standard parents' contribution for the student for 9-month enrollment (from line 30)	-	
h. Difference (line f minus line g)	=	
i. Divide line h by 12 months	+	**12**
j. Parents' contribution per month	=	
k. Number of months student will be enrolled that exceed 9	X	
l. Adjustment to parents' contribution for months that exceed 9 (multiply line j by line k)	=	
m. Standard parents' contribution for 9-month enrollment (from line 30)	+	
n. Parents' contribution for MORE than 9-month enrollment *	=	

* Substitute the parents' contribution for LESS or MORE than 9-month enrollment in place of the parents' contribution for 9-month enrollment on Worksheet A, line 30.

Table A1: State and Other Tax Allowance

for Worksheet A (parents only)

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more		$0-14,999	$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of Columbia	10%	9%	Northern Mariana Islands	4%	3%
Federated States of Micronesia	4%	3%	Ohio	8%	7%
Florida	4%	3%	Oklahoma	6%	5%
Georgia	7%	6%	Oregon	10%	9%
Guam	4%	3%	Palau	4%	3%
Hawaii	8%	7%	Pennsylvania	7%	6%
Idaho	7%	6%	Puerto Rico	4%	3%
Illinois	6%	5%	Rhode Island	9%	8%
Indiana	6%	5%	South Carolina	8%	7%
Iowa	8%	7%	South Dakota	4%	3%
Kansas	7%	6%	Tennessee	3%	2%
Kentucky	7%	6%	Texas	3%	2%
Louisana	4%	3%	Utah	8%	7%
Maine	9%	8%	Vermont	8%	7%
Marshall Islands	4%	3%	Virgin Islands	4%	3%
Maryland	9%	8%	Virginia	8%	7%
Massachusetts	9%	8%	Washington	4%	3%
Mexico	4%	3%	West Virginia	6%	5%
Michigan	9%	8%	Wisconsin	10%	9%
Minnesota	9%	8%	Wyoming	3%	2%
Mississippi	5%	4%	Blank or invalid State	4%	3%
			OTHER	4%	3%

Multiply parents' total income (from Worksheet A, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #54). If this item is blank or invalid, use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR # 9). If both items are blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student.

Income Earned from Work *	Social Security Tax
$0 - $57,600	7.65% of income
$57,601 - $135,000	$4,406.40 + 1.45% of amount over $57,600
$135,001 or more	$5,529 maximum per person

* Father's income earned from work is FAFSA/SAR #73. Mother's income earned from work is FAFSA/SAR #74. Student's income earned from work is FAFSA/SAR #62. Social Security tax for one person may never be less than zero or more than $5,529. Social Security tax for two persons may never be less than zero or more than $11,058.

Table A3: Income Protection Allowance

Number of family members, including student (FAFSA/SAR #56)	Number in college (FAFSA/SAR #57)				
	1	2	3	4	5
2	$10,840	$8,980	———	———	———
3	13,490	11,650	$9,800	———	———
4	16,670	14,810	12,970	$11,110	———
5	19,660	17,810	15,970	14,110	$12,270
6	23,000	21,150	19,300	17,450	15,600

NOTE: For each additional family member, add $2,600.
For each additional college student, subtract $1,840

Table A4: Business/Farm Net Worth Adjustment

for Worksheet A (parents only)

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $75,000	40% of net worth
$75,001 to $230,000	$ 30,000 + 50% of net worth over $75,000
$230,001 to $385,000	$107,500 + 60% of net worth over $230,000
$385,001 or more	$200,500 + 100% of net worth over $385,000

Table A5: Education Savings and Asset Protection Allowance

for Worksheet A (parents only)

AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent	AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent
25 or less..	0	0	45	36,300	25,600
26	2,100	1,500	46	37,200	26,200
27	4,300	3,100	47	38,500	26,900
28	6,400	4,600	48	39,400	27,500
29	8,600	6,200	49	40,500	28,000
30	10,700	7,700	50	41,500	28,700
31	12,900	9,200	51	42,800	29,400
32	15,000	10,800	52	43,900	30,300
33	17,200	12,300	53	45,300	31,000
34	19,300	13,900	54	46,700	31,800
35	21,500	15,400	55	47,900	32,500
36	23,600	16,900	56	49,400	33,500
37	25,800	18,500	57	50,900	34,300
38	27,900	20,000	58	52,500	35,300
39	30,100	21,600	59	54,400	36,300
40	32,200	23,100	60	56,000	37,200
41	33,000	23,500	61	58,100	38,200
42	33,900	24,100	62	59,800	39,300
43	34,700	24,500	63	61,900	40,400
44	35,400	25,100	64	64,100	41,800
			65 or more	66,300	42,900

AGE OF OLDER PARENT is FAFSA/SAR #106; if blank, use age 45 on the table.

Table A6: Contribution From AAI

If AAI is—	Then the contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $9,700	22% of AAI
$9,701 to $12,200	$2,134 + 25% of AAI over $9,700
$12,201 to $14,600	$2,759 + 29% of AAI over $12,200
$14,601 to $17,100	$3,455 + 34% of AAI over $14,600
$17,101 to $19,600	$4,305 + 40% of AAI over $17,100
$19,601 or more	$5,305 + 47% of AAI over $19,600

Table A7: State and Other Tax Allowance
for Worksheet A (student only)

Alabama	3%
Alaska	0%
American Samoa	2%
Arizona	3%
Arkansas	4%
California	5%
Canada	2%
Colorado	4%
Connecticut	2%
Delaware	5%
District of Columbia	7%
Federated States of Micronesia	2%
Florida	1%
Georgia	4%
Guam	2%
Hawaii	6%
Idaho	5%
Illinois	2%
Indiana	4%
Iowa	5%
Kansas	4%
Kentucky	5%
Louisiana	2%
Maine	5%
Marshall Islands	2%
Maryland	6%
Massachusetts	5%
Mexico	2%
Michigan	4%
Minnesota	6%
Mississippi	3%
Missouri	3%
Montana	5%
Nebraska	4%
Nevada	0%
New Hampshire	1%
New Jersey	3%
New Mexico	4%
New York	7%
North Carolina	5%
North Dakota	2%
Northern Mariana Islands	2%
Ohio	5%
Oklahoma	4%
Oregon	6%
Palau	2%
Pennsylvania	3%
Puerto Rico	2%
Rhode Island	4%
South Carolina	5%
South Dakota	0%
Tennessee	0%
Texas	0%
Utah	5%
Vermont	4%
Virgin Islands	2%
Virginia	4%
Washington	0%
West Virginia	4%
Wisconsin	5%
Wyoming	0%
Blank or Invalid State	2%
OTHER	2%

Multiply the total income of student (Worksheet A, line 37) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #9). If this item is blank or invalid, use the STATE in student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #54). If all three items are blank or invalid, use the rate for a blank or invalid state above.

1994-95 EFC FORMULA B: INDEPENDENT STUDENT Without Dependent(s) Other Than A Spouse

REGULAR WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1993

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #60) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 4		
2. Student/spouse income earned from work: • Student's income (FAFSA/SAR #62) _____ • Spouse's income (FAFSA/SAR #63) + _____ Total income earned from work	= 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)		
4. Untaxed income and benefits: • Social Security benefits (FAFSA/SAR #64) _____ • Other untaxed income (FAFSA/SAR #67) + _____ Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. 1993 Title IV Income Exclusions (FAFSA/SAR #68)	-	
7. TOTAL INCOME (line 5 minus line 6) If negative, enter zero.	=	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1993 U.S. income tax paid (FAFSA/SAR #61) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table B1)	+	
10. Student's Social Security tax (Table B2)	+	
11. Spouse's Social Security tax (Table B2)	+	
12. Income protection allowance: • $3,000 for unmarried student; • $3,000 for married student if both student & spouse are enrolled at least 1/2 time; • $6,000 for married student if only the student is enrolled at least 1/2 time.	+	
13. Employment expense allowance: • If student is not married, allowance is zero. • If student is married but only one person is working (the student or spouse), the allowance is zero. • If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,500, whichever is less.	+	
14. TOTAL ALLOWANCES	=	

CONTRIBUTION FROM AVAILABLE INCOME

Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI)	=	
16. Assessment rate	X	.50
17. CONTRIBUTION FROM AI May be a negative number.	=	

STUDENT CONTRIBUTION FROM ASSETS

18. Cash, savings, & checking (FAFSA/SAR #99)		
19. Real estate/investments value * (FAFSA/SAR #100) _____ Real estate/investments debt * (FAFSA/SAR #101) - _____ Net worth of real estate/investments If negative, enter zero.	= 19.	
20. Business value * (FAFSA/SAR #102) _____ Business debt * (FAFSA/SAR #103) - _____ Net worth of business If negative, enter zero	= 20.	
21. Farm value * (FAFSA/SAR #104) _____ Farm debt * (FAFSA/SAR #105) - _____ Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 21.	
22. Net worth of business/farm (sum of lines 20 and 21)		
23. Adjusted net worth of business/farm (Calculate, using Table B3.) →	+	
24. Net worth (sum of lines 18, 19, and 23)	=	
25. Asset protection allowance (Table B4)	-	
26. Discretionary net worth (line 24 minus line 25)	=	
27. Asset conversion rate	X	.35
28. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION

Contribution from AI (from line 17) May be a negative number.		
Contribution from assets (from line 28)	+	
29. Contribution from AI and assets	=	
30. Number in college in 1994-95 (FAFSA/SAR #52)	÷	
31. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (if negative, enter zero) **	=	

* Do not include the student's home.

** To calculate the student's contribution for other than 9-month enrollment, see page 2.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 2 **B**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	+	**9**
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment	=	

1994-95 EFC FORMULA B : INDEPENDENT STUDENT WITHOUT DEPENDENT(S) OTHER THAN A SPOUSE
(Do not fill in shaded areas.)

SIMPLIFIED WORKSHEET **B**

STUDENT/SPOUSE INCOME IN 1993	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #60) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 4	
2. Student/spouse income earned from work: • Student's income (FAFSA/SAR #62) _____ • Spouse's income (FAFSA/SAR #63) + _____ Total income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.)	
4. Untaxed income and benefits: • Social Security benefits (FAFSA/SAR #64) _____ • Other untaxed income (FAFSA/SAR #67) + _____ Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. 1993 Title IV Income Exclusions (FAFSA/SAR #68) -	
7. TOTAL INCOME (line 5 minus line 6) If negative, enter zero. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 1993 U.S. income tax paid (FAFSA/SAR #61) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table B1) +	
10. Student's Social Security tax (Table B2) +	
11. Spouse's Social Security tax (Table B2) +	
12. Income protection allowance: • $3,000 for unmarried student; • $3,000 for married student if both student & spouse are enrolled at least 1/2 time; • $6,000 for married student if only the student is enrolled at least 1/2 time. +	
13. Employment expense allowance: • If student is not married, allowance is zero. • If student is married but only one person is working (the student or spouse), the allowance is zero. • If student is married and both student and spouse are working, the allowance is 35% of the lesser of the earned incomes or $2,500, whichever is less. +	
14. TOTAL ALLOWANCES =	

CONTRIBUTION FROM AVAILABLE INCOME		
Total income (from line 7)		
Total allowances (from line 14)	-	
15. AVAILABLE INCOME (AI)	=	
16. Assessment rate	X	.50
17. CONTRIBUTION FROM AI May be a negative number.	=	

STUDENT CONTRIBUTION FROM ASSETS		
18. Cash, savings, & checking (FAFSA/SAR #99)		
19. Real estate/investments value * (FAFSA/SAR #100) _____ Real estate/investments debt * (FAFSA/SAR #101) - _____ Net worth of real estate/investments If negative, enter zero. = 19.		
20. Business value * (FAFSA/SAR #102) _____ Business debt * (FAFSA/SAR #103) - _____ Net worth of business If negative, enter zero = 20.		
21. Farm value * (FAFSA/SAR #104) _____ Farm debt * (FAFSA/SAR #105) - _____ Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 21.		
22. Net worth of business/farm (sum of lines 20 and 21)		
23. Adjusted net worth of business/farm (Calculate, using Table B3.) →	+	
24. Net worth (sum of lines 18, 19, and 23)	=	
25. Asset protection allowance (Table B4)	-	
26. Discretionary net worth (line 24 minus line 25)	=	
27. Asset conversion rate	X	.35
28. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION		
Contribution from AI (from line 17) May be a negative number.		
Contribution from assets (from line 28)	+	
29. Contribution from AI and assets	=	
30. Number in college in 1994-95 (FAFSA/SAR #52)	÷	
31. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment (if negative, enter zero) **	=	

* Do not include the student's home.

** To calculate the student's contribution for other than 9-month enrollment, see page 2.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 2 **B**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	**9**
Expected Family Contribution per month	=	
Multiply by number of months enrollment	**X**	
Expected Family Contribution for other than 9-month enrollment	=	

Table B1: State and Other Tax Allowance

Alabama	3%	Nebraska	4%
Alaska	0%	Nevada	0%
Arizona	3%	New Hampshire	1%
Arkansas	4%	New Jersey	3%
California	5%	New Mexico	4%
Colorado	4%	New York	7%
Connecticut	2%	North Carolina	5%
Delaware	5%	North Dakota	2%
District of Columbia	7%	Ohio	5%
Florida	1%	Oklahoma	4%
Georgia	4%	Oregon	6%
Hawaii	6%	Pennsylvania	3%
Idaho	5%	Puerto Rico	2%
Illinois	2%	Rhode Island	4%
Indiana	4%	South Carolina	5%
Iowa	5%	South Dakota	0%
Kansas	4%	Tennessee	0%
Kentucky	5%	Texas	0%
Louisiana	2%	Utah	5%
Maine	5%	Vermont	4%
Maryland	6%	Virginia	4%
Massachusetts	5%	Washington	0%
Michigan	4%	West Virginia	4%
Minnesota	6%	Wisconsin	5%
Mississippi	3%	Wyoming	0%
Missouri	3%	Blank or Invalid State	2%
Montana	5%	OTHER	2%

Multiply the total income of student and spouse (Worksheet B, line 7) by the appropriate rate from table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #9) reported on the FAFSA. If this item is blank or invalid, use the state in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above.

Table B2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $57,600	7.65% of income
$57,601 - $135,000	$4,406.40 + 1.45% of amount over $57,600
$135,001 or more	$5,529 maximum per person

* Student's 1993 income earned from work is FAFSA/SAR #62.
Spouse's 1993 income earned from work is FAFSA/SAR #63
Social Security tax for one person may never be less than zero or more than $5,529.
Social Security tax for two persons may never be less than zero or more than $11,058.

Table B3: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $75,000	40% of net worth
$75,001 to $230,000	$ 30,000 + 50% of net worth over $75,000
$230,001 to $385,000	$107,500 + 60% of net worth over $230,000
$385,001 or more	$200,500 + 100% of net worth over $385,000

Table B4
Asset Protection Allowance

Age of student as of 12/31/94 *	Allowance for— Married Student	Unmarried Student
25 or less	0	0
26	2,100	1,500
27	4,300	3,100
28	6,400	4,600
29	8,600	6,200
30	10,700	7,700
31	12,900	9,200
32	15,000	10,800
33	17,200	12,300
34	19,300	13,900
35	21,500	15,400
36	23,600	16,900
37	25,800	18,500
38	27,900	20,000
39	30,100	21,600
40	32,200	23,100
41	33,000	23,500
42	33,900	24,100
43	34,700	24,500
44	35,400	25,100
45	36,300	25,600
46	37,200	26,200
47	38,500	26,900
48	39,400	27,500
49	40,500	28,000
50	41,500	28,700
51	42,800	29,400
52	43,900	30,300
53	45,300	31,000
54	46,700	31,800
55	47,900	32,500
56	49,400	33,500
57	50,900	34,300
58	52,500	35,300
59	54,400	36,300
60	56,000	37,200
61	58,100	38,200
62	59,800	39,300
63	61,900	40,400
64	64,100	41,800
65 or more	66,300	42,900

* Determine student's age as of 12/31/94 from student's date of birth (FAFSA/SAR #14)

1994-95 EFC FORMULA C : INDEPENDENT STUDENT With Dependent(s) Other Than A Spouse

REGULAR WORKSHEET **C**

STUDENT/SPOUSE INCOME

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #60) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 4	
2. Student/spouse income earned from work: • Student's income (FAFSA/SAR #62) _____ • Spouse's income (FAFSA/SAR #63) + _____ Total income earned from work = **2.**	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *	
4. Untaxed income and benefits: • Social Security benefits (FAFSA/SAR #64) _____ • AFDC/ADC (FAFSA/SAR #65) + _____ • Child support received (FAFSA/SAR #66) + _____ • Other untaxed income (FAFSA/SAR #67) + _____ Total untaxed income and benefits = **4.**	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. 1993 Title IV Income Exclusions (FAFSA/SAR #68) -	
7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1993 U.S. income tax paid (FAFSA/SAR #61) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table C1) +	
10. Student's Social Security tax (Table C2) +	
11. Spouse's Social Security tax (Table C2) +	
12. Income protection allowance (Table C3) +	
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or $2,500, whichever is less. • One-parent families: 35% of earned income, or $2,500, whichever is less) +	
14. **TOTAL ALLOWANCES** =	

AVAILABLE INCOME

Total income (from line 7)	
Total allowances (from line 14) -	
15. **AVAILABLE INCOME (AI)** May be a negative number. =	

STUDENT CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #99)	
17. Real estate/investments value ** (FAFSA/SAR #100) _____ Real estate/investments debt ** (FAFSA/SAR #101) - _____ Net worth of real estate/investments If negative, enter zero. = **17.**	
18. Business value ** (FAFSA/SAR #102) _____ Business debt ** (FAFSA/SAR #103) - _____ Net worth of business If negative, enter zero = **18.**	
19. Farm value ** (FAFSA/SAR #104) _____ Farm debt ** (FAFSA/SAR #105) - _____ Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = **19.**	
20. Net worth of business/farm (sum of lines 18 and 19)	
21. Adjusted net worth of business/farm (Calculate, using Table C4.) → +	
22. **Net worth** (sum of lines 16, 17, and 21) =	
23. Asset protection allowance (Table C5) -	
24. **Discretionary net worth** (line 22 minus line 23) =	
25. Asset conversion rate X	.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero. =	

EXPECTED FAMILY CONTRIBUTION

Available income (AI) (from line 15)	
Contribution from assets (from line 26) +	
27. **Adjusted available income (AAI)** May be a negative number =	
28. **Total contribution from AAI** (Calculate, using Table C6; if negative, enter zero.)	
29. **Number in college in 1994-95** (FAFSA/SAR #52) +	
30. **EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment *** =	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligble to file an IRS Form 1040A or 1040EZ (they are not required to file a Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

** Do not include the net value of the family's home.

*** To calculate the EFC for other than 9-month enrollment, see page 2.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the ~~Federal Pell~~ Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

REGULAR WORKSHEET Page 2 **C**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	**9**
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment *	=	

1994-95 EFC FORMULA C : INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse
(Do not fill in shaded areas.)

SIMPLIFIED WORKSHEET **C**

STUDENT/SPOUSE INCOME IN 1993	
1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #60) from IRS Form 1040-line 31, 1040A-line 16, or 1040EZ- line 4	
2. Student/spouse income earned from work: • Student's income (FAFSA/SAR #62) _____ • Spouse's income (FAFSA/SAR #63) + _____ Total income earned from work = 2.	
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *	
4. Untaxed income and benefits: • Social Security benefits (FAFSA/SAR #64) _____ • AFDC/ADC (FAFSA/SAR #65) + _____ • Child support received (FAFSA/SAR #66) + _____ • Other untaxed income (FAFSA/SAR #67) + _____ Total untaxed income and benefits = 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)	
6. 1993 Title IV Income Exclusions (FAFSA/SAR #68) -	
7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero. =	

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME	
8. 1993 U.S. income tax paid (FAFSA/SAR #61) (tax filers only); if negative, enter zero.	
9. State and other tax allowance (Table C1) +	
10. Student's Social Security tax (Table C2) +	
11. Spouse's Social Security tax (Table C2) +	
12. Income protection allowance (Table C3) +	
13. Employment expense allowance: • Student and spouse both working: 35% of the lesser of the earned incomes, or $2,500, whichever is less. • One-parent families: 35% of earned income, or $2,500, whichever is less) +	
14. **TOTAL ALLOWANCES** =	

AVAILABLE INCOME	
Total income (from line 7)	
Total allowances (from line 14) -	
15. **AVAILABLE INCOME (AI)** May be a negative number. =	

STUDENT CONTRIBUTION FROM ASSETS	
16. Cash, savings, & checking (FAFSA/SAR #89)	
17. Real estate/investments value ** (FAFSA/SAR #100) _____ Real estate/investments debt ** (FAFSA/SAR #101) - _____ Net worth of real estate/investments If negative, enter zero. = 17.	
18. Business value ** (FAFSA/SAR #102) _____ Business debt ** (FAFSA/SAR #103) - _____ Net worth of business If negative, enter zero = 18.	
19. Farm value ** (FAFSA/SAR #104) _____ Farm debt ** (FAFSA/SAR #105) - _____ Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.	
20. Net worth of business/farm (sum of lines 18 and 19)	
21. Adjusted net worth of business/farm (Calculate, using Table C4.) → +	
22. Net worth (sum of lines 16, 17, and 21) =	
23. Asset protection allowance (Table C5) -	
24. Discretionary net worth (line 22 minus line 23) =	
25. Asset conversion rate X	.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero. =	

EXPECTED FAMILY CONTRIBUTION	
Available income (AI) (from line 15)	
Contribution from assets (from line 26) +	
27. **Adjusted available income (AAI)** May be a negative number =	
28. **Total contribution from AAI** (Calculate, using Table C6; if negative, enter zero.)	
29. **Number in college in 1994-95** (FAFSA/SAR #52) ÷	
30. **EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment *** =	

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligble to file an IRS Form 1040A or 1040EZ (they are not required to file a Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

** Do not include the net value of the family's home.

*** To calculate the EFC for other than 9-month enrollment, see page 2.

NOTE: *Use this additional page to prorate the EFC only if the student will be enrolled for other than 9 months and only to determine the student's need for campus-based aid, a subsidized Federal Stafford Loan, or a subsidized Federal Direct Stafford Loan. Do not use this page to prorate the EFC for a Federal Pell Grant. The EFC for the Federal Pell Grant Program is the 9-month EFC used in conjunction with the cost of attendance to determine a Federal Pell Grant award from the Payment or Disbursement Schedule.*

SIMPLIFIED WORKSHEET Page 2 **C**

Calculation of Expected Family Contribution for a Student Enrolled for Other than 9 Months		
Expected Family Contribution (standard contribution for 9-month enrollment, from line 31)		
Divide by 9	÷	9
Expected Family Contribution per month	=	
Multiply by number of months enrollment	X	
Expected Family Contribution for other than 9-month enrollment *	=	

Table C1: State and Other Tax Allowance

STATE	PERCENT OF TOTAL INCOME		STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more		$0-14,999	$15,000 or more
Alabama	5%	4%	Missouri	6%	5%
Alaska	3%	2%	Montana	8%	7%
American Samoa	4%	3%	Nebraska	8%	7%
Arizona	6%	5%	Nevada	3%	2%
Arkansas	6%	5%	New Hampshire	7%	6%
California	8%	7%	New Jersey	8%	7%
Canada	4%	3%	New Mexico	6%	5%
Colorado	7%	6%	New York	11%	10%
Connecticut	6%	5%	North Carolina	8%	7%
Delaware	8%	7%	North Dakota	6%	5%
District of Columbia	10%	9%	Northern Mariana Islands	4%	3%
Federated States of Micronesia	4%	3%	Ohio	8%	7%
Florida	4%	3%	Oklahoma	6%	5%
Georgia	7%	6%	Oregon	10%	9%
Guam	4%	3%	Palau	4%	3%
Hawaii	8%	7%	Pennsylvania	7%	6%
Idaho	7%	6%	Puerto Rico	4%	3%
Illinois	6%	5%	Rhode Island	9%	8%
Indiana	6%	5%	South Carolina	8%	7%
Iowa	8%	7%	South Dakota	4%	3%
Kansas	7%	6%	Tennessee	3%	2%
Kentucky	7%	6%	Texas	3%	2%
Louisana	4%	3%	Utah	8%	7%
Maine	9%	8%	Vermont	8%	7%
Marshall Islands	4%	3%	Virgin Islands	4%	3%
Maryland	9%	8%	Virginia	8%	7%
Massachusetts	9%	8%	Washington	4%	3%
Mexico	4%	3%	West Virginia	6%	5%
Michigan	9%	8%	Wisconsin	10%	9%
Minnesota	9%	8%	Wyoming	3%	2%
Mississippi	5%	4%	Blank or invalid State	4%	3%
			OTHER	4%	3%

Multiply total income of student and spouse (from Worksheet C, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #9) reported on the FAFSA. If this item is blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above. If both items are blank or invalid, use the rate for a blank or invalid state above.

Table C2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $57,600	7.65% of income
$57,601 - $135,000	$4,406.40 + 1.45% of amount over $57,600
$135,001 or more	$5,529 maximum per person

* Student's 1993 income earned from work is FAFSA/SAR #62.
Spouse's 1993 income earned from work is FAFSA/SAR #63
Social Security tax for one person may never be less than zero or more than $5,529.
Social Security tax for two persons may never be less than zero or more than $11,058.

Table C3: Income Protection Allowance

Number of family members, including student (FAFSA/SAR #56)	Number in college (FAFSA/SAR #57)				
	1	2	3	4	5
2	$10,840	$8,980	———	———	———
3	13,490	11,650	$9,800	———	———
4	16,670	14,810	12,970	$11,110	———
5	19,660	17,810	15,970	14,110	$12,270
6	23,000	21,150	19,300	17,450	15,600

NOTE: For each additional family member, add $2,600.
For each additional college student, subtract $1,840

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	hen the adjusted t worth is—
Less than $1	$0
$1 to $75,000	40% of net worth
$75,001 to $230,000	$ 30,000 + 50% of net worth over $75,000
$230,001 to $385,000	$107,500 + 60% of net worth over $230,000
$385,001 or more	$200,500 + 100% of net worth over $385,000

Table C5: Asset Protection Allowance

Age of student as of 12/31/94*	Allowance for— Married Student	Unmarried Student	Age of student as of 12/31/94*	Allowance for— Married Student	Unmarried Student
25 or less..	0	0	45	36,300	25,600
26	2,100	1,500	46	37,200	26,200
27	4,300	3,100	47	38,500	26,900
28	6,400	4,600	48	39,400	27,500
29	8,600	6,200	49	40,500	28,000
30	10,700	7,700	50	41,500	28,700
31	12,900	9,200	51	42,800	29,400
32	15,000	10,800	52	43,900	30,300
33	17,200	12,300	53	45,300	31,000
34	19,300	13,900	54	46,700	31,800
35	21,500	15,400	55	47,900	32,500
36	23,600	16,900	56	49,400	33,500
37	25,800	18,500	57	50,900	34,300
38	27,900	20,000	58	52,500	35,300
39	30,100	21,600	59	54,400	36,300
40	32,200	23,100	60	56,000	37,200
41	33,000	23,500	61	58,100	38,200
42	33,900	24,100	62	59,800	39,300
43	34,700	24,500	63	61,900	40,400
44	35,400	25,100	64	64,100	41,800
			65 or more	66,300	42,900

* Determine student's age as of 12/31/94 from student's date of birth (FAFSA/SAR #14)

Table C6: Contribution From AAI

If AAI is—	Then the contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $9,700	22% of AAI
$9,701 to $12,200	$2,134 + 25% of AAI over $9,700
$12,201 to $14,600	$2,759 + 29% of AAI over $12,200
$14,601 to $17,100	$3,455 + 34% of AAI over $14,600
$17,101 to $19,600	$4,305 + 40% of AAI over $17,100
$19,601 or more	$5,305 + 47% of AAI over $19,600

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